

Social Security Bulletin



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*Ten Years
of
Social Security*

FEDERAL SECURITY AGENCY

SOCIAL SECURITY BOARD

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The First Decade in Social Security

By A. J. Altmeyer*

TEN YEARS IS a short time in which to measure social advance. A relatively modest proposal for social legislation has often taken a decade or more to develop the public understanding and support that finally made it law in a State, and perhaps a generation before it became a reality for any substantial part of our people. Yet in the 10 years since August 14, 1935, when the Social Security Act became law, the United States has built a comprehensive system of old-age and survivors insurance and Federal-State systems of unemployment insurance and public assistance in all the States and Territories.

For perspective we may look back at the early years in workmen's compensation, the only form of social insurance in which the United States had comprehensive experience before 1935. What was probably our first official study and report in this field of social legislation was issued in 1893. Ten years later, only one limited State law, later declared unconstitutional, was on the statute books of the Nation. At the end of another 10 years, less than half the States had workmen's compensation laws that had survived the scrutiny of the courts, and the first Federal law, enacted in 1908, covered only civil employees of the Government. Even now, after more than half a century, not much more than half the workers of this country are protected, and one State still has no law to compensate workers injured on the job.

Probably never before in a corresponding period of time has legislation done as much to establish a ground work of economic security for families in the United States as in the years following President Roosevelt's message of June 8, 1934, in which he said to Congress: "Among

our objectives I place the security of men, women, and children of the Nation first."

At the End of a Decade

Today some 40 million people are insured under the Federal system of old-age and survivors insurance. That is, they have credits toward old-age benefits, and, if they should die today, monthly benefits or a lump sum would be payable the survivors named in the act. Their survivor insurance alone represents \$50 billion in family insurance protection. The amounts of retirement benefits depend, of course, on a worker's whole wage record when, at or after age 65, he leaves covered employment.

Additional millions of workers have some credits toward benefits. In all, more than 74 million persons, about two-thirds of the total population aged 14 and over, had credits under the system by the middle of 1945. By that time, benefits totaling more than \$23 million a month were in force for some 1.3 million persons. These include about 760,000 old people—workers, their aged wives or widows, and aged parents of deceased workers who left no widow or child; 380,000 children of deceased or retired workers; and 145,000 widows who have the child or children of a deceased worker in their care.

Under the Federal-State system of unemployment insurance, about 36 million workers have wage credits that will qualify them for benefits if they are thrown out of work involuntarily and are unemployed, and additional millions have credit toward benefits. Over the whole period from January 1938, when nearly half the States began payment of unemployment benefits, through June 1945, some \$2.2 billion has been paid under the State systems to replace part of the wages lost by insured workers

who were unemployed through no fault or wish of their own. In recent years the annual disbursement has been relatively small, because few workers lost jobs and most of those who did found other work before they had completed the waiting period or had received more than a few of the weekly benefits for which they would have been eligible.

The importance of unemployment insurance was clear not only in the 1930's but also in the dislocations of the war years when plants have had to shut down to re-tool or await materials. Now we enter the uncertainties of industrial reconversion with a backlog of more than \$6½ billion in State reserves for unemployment insurance and a Nation-wide administrative organization experienced in the operation of unemployment insurance. Never before in our history have the workers of the United States had such a resource for weathering postwar changes or other widespread economic readjustment.

Because social insurance is so new in the United States and still is incomplete in both coverage and scope, it has been imperative that the social security program include a comprehensive method of giving immediate aid to needy people who have not had an opportunity to build up social insurance rights or who meet with some misfortune not covered by social insurance. The three assistance programs for which the Federal Government makes matching grants-in-aid to States meet immediate need among three groups who are unable or little able to earn their own living—needy old people, blind people, and children who lack parental support or care because of the death, absence, or incapacity of a parent.

Wartime conditions have made it possible for many people to leave the assistance rolls or to get along without

*Chairman, Social Security Board.

asking for public aid which they might have needed in ordinary times. In the tight labor market, some old or handicapped people and some mothers and children have found jobs they could do, while others have benefited from increases in the earnings of members of their families or from allowances as servicemen's dependents. Even so, more than 2 million old people, about 1 aged person in 5, are receiving old-age assistance on the basis of need. Aid is being given under the Social Security Act to more than 50,000 blind persons and to about 650,000 children in more than a quarter million families.

The Roles of Insurance and Assistance

For children, the role of social insurance in helping to prevent need is already becoming clear. More fatherless children are receiving benefits under old-age and survivors insurance than are receiving aid to dependent children because of the death of the father. For the aged, the insurance system takes a longer time to get under way. The old people now on the assistance rolls average about 75 years in age and are frequently in failing health. Many of them had passed the age for active work by 1937, when wage credits began to accrue under the insurance system.

Moreover, many of the people now old have had most or all their past work in jobs that still are not covered by the insurance system, such as farming, their own small businesses, or domestic work. Even if they have been able to work at some time after 1936, they have had little experience to offer in employment covered by the insurance system. Until war tightened the labor market, elderly people in general found it hard to get jobs, and many used up whatever savings they had during the hard times of the 1930's.

As time goes on, of course, an increasing proportion of the people reaching retirement age will have had, at some time during their working lives, enough covered employment to qualify them for at least minimum insurance benefits. As coverage is extended, insurance benefits will more often replace part of the loss of earnings among the aged and the unemployed and among families with fatherless children. If the scope of the

program is extended to include cash benefits to sick and disabled workers and their dependents and insurance against costs of medical and hospital care, it will go far toward cutting down another great cause of poverty and insecurity.

But however comprehensive the insurance provisions, they must necessarily be fixed in relation to the common needs of large groups of people and the levels of protection that the system can afford to provide for large numbers. Some people, such as those handicapped from birth or childhood, will be unable to meet the eligibility requirements of an insurance system. We shall always need a complementary program of assistance to meet the needs of people who are not eligible for insurance benefits or who suffer a misfortune that causes their need to be greater than the system is designed to insure.

Fears That Proved Groundless

Thus now, at the end of 10 years, millions of people have some basic security of income because of the operation of the Social Security Act, and many times that number have assurance of some protection for themselves and their families if they lose their jobs or die or when they are old. Impressive as the figures are, however, they are probably not the most significant achievement of the program during its first decade. That, I believe, is the place which social security has made for itself as a part of our democracy and our American way of life.

It is hard now to recall some of the remarks made about social security in 1935 and 1936. It was unconstitutional, some people insisted. Unworkable, said others, who pointed to our lack of experience in administering social insurance, made dark predictions of political chicanery, and hinted that no worker would ever draw a benefit. Some insisted that the program would bankrupt the Nation. Still others were concerned with moral hazards. Social security, they declared, was a Prussian invention to regiment people or, on the other hand, a first step toward communism. It would destroy individual enterprise and initiative and individual and family responsibility, perhaps even destroy our competitive economic system.

Actual experience quickly belied all such charges. In the spring of 1937, the Supreme Court stilled any doubt as to the constitutionality of the insurance provisions of the act. The program has worked—probably even better in some respects than its sponsors dared hope. In a few weeks at the end of 1936 and in early 1937, in collaboration with the post offices, we accomplished the unprecedented job of registering more than 23 million workers to be covered by old-age and survivors insurance and of setting up individual accounts to record their taxable earnings. In spite of employers' and workers' unfamiliarity with wage reporting, the records of earnings posted to these accounts and to nearly 60 million subsequently established accounts have been kept with only an insignificant percentage of error. The mechanical techniques adapted or invented for these purposes make it possible to maintain a worker's account for about 17 cents a year.

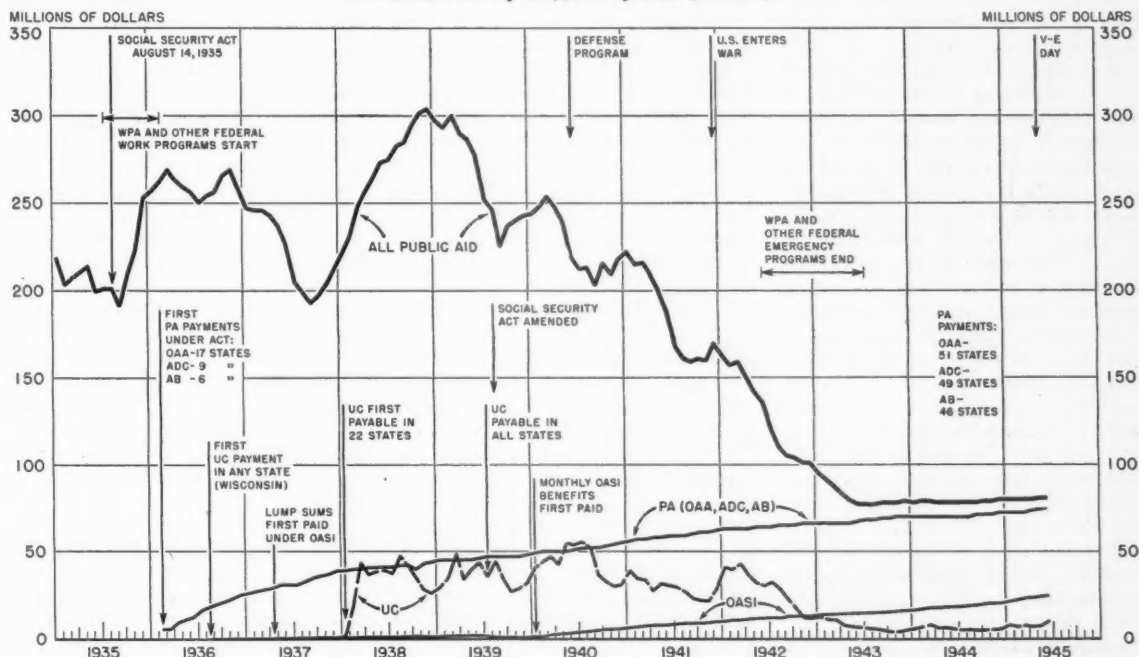
Four years after the Social Security Act was passed, the 1939 amendments extended old-age insurance to include survivor benefits and advanced the date for paying monthly benefits by 2 years, but claims were adjudicated promptly and benefits paid on time. By July 1939 all State unemployment insurance systems were paying benefits. The availability of Federal grants-in-aid enabled the States to extend and improve their public assistance programs greatly, and in many places to establish a program for the first time for needy old or blind people or needy children.

Throughout State and Federal social security agencies, careful selection and training of staff and hard work overcame the initial handicap of lack of experience. Operating universally under merit systems for personnel, these agencies have achieved a record of impartial and efficient administration. They have worked out successfully many new techniques in intergovernmental collaboration.

Disbursements under the program have been less than was estimated in advance, especially in relation to earnings. With the country's recovery from depression, expenditures have been a far smaller relative charge on our economy than was contemplated in 1935.

The less tangible fears could have

Chart 1.—Payments for all public aid, including Federal work programs, and for social insurance and public assistance under the Social Security Act, January 1935–June 1945



been discounted in advance by anyone who had looked back at other chapters in the social development in this country. A century earlier, some people were saying that public education ran counter to the American principles of government and would destroy freedom, the home, and individual initiative and responsibility. Similar remarks were made later when legislation was proposed to control conditions and hours of work, establish minimum wages, compensate industrial accidents, or establish methods of protecting the community's health. Nearly all of us would agree, I think, that the United States is a far stronger, freer, and richer Nation than it could have been if the alarmists who opposed such legislation had had their way. Freedom to be illiterate or sick or hungry is not a freedom to be prized by a people or by individuals.

Social Security and Self-Responsibility

If proof were needed that social security does not endanger the moral fiber of the Nation, the war years would give it. As jobs opened up in wartime, the assistance rolls went down. In old-age insurance the rise

in the beneficiary roll has been much less rapid than would have been expected at this stage in the development of the system. For every aged worker who has claimed benefits, there are about two who, though eligible, are not taking their payments because they have continued to hold or got jobs in covered employment. Most of those who have retired were not physically able to continue to work. In unemployment insurance, likewise, the very small beneficiary rolls have been heavily weighted with old people, handicapped people, and women with little work experience—the last hired and the first fired. Even claimants who have drawn benefits have generally been quick to find other jobs and so leave the rolls.

The social security program thus has been operating, as its founders intended, as a means of replacing part of the wage loss of workers who find themselves unable to earn and of helping people who lack the means of subsistence in even a period like the present. The operations of both insurance and assistance programs show that Americans continue to prize their capacity for self-support and family support and will and do work when they can.

The advance fears came from our primitive distrust of anything different, anything new and hence strange. Such fears are not confined to social legislation. Locomotives, bathtubs, and even automobiles were held by some people to menace morality and civilization when they were first introduced. Because social legislation is designed to conserve and enhance human values, it bears on the relationships that people cherish most deeply—their relationship to their work, to members of their family, to the community. So anything that seems like a new element in such relationships is especially likely to be feared in advance.

As I see it, however, the world-wide concern for social security in recent decades and especially in these last 10 years is not an effort to inject something new in those basic relationships. Its purpose is to conserve what men and women have long cherished in the face of changes they themselves cannot control individually. President Roosevelt had that objective in mind in the initial message on social security he sent to Congress in June 1934: "Security," he said, "was attained in the earlier days

through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it . . . This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion."

At the end of this first decade, that general idea has permeated much of our thinking. We in the Board see it in letters from old people telling of their joy in receiving the small benefits which, with their other savings, will enable them to live out the rest of their lives in independence and modest comfort. We see it in letters from widows who write to say that the benefits based on the dead father's earnings will enable them to give their children a fair start in life. We see it also in appeals from those who write to ask why the program is not extended to their kind of work so they, too, can earn this assurance for themselves and their families.

I have not heard anyone question recently the value and importance and permanence of the social security program in general. Likewise there seems to be a general belief that social security will be strengthened and extended. When it comes to specific proposals for improving the program, however, the fears of some people begin to bristle, and again we hear many of the same objections that were made 10 years ago to the initial proposals. I can only believe that, as in the past, they will prove groundless.

Rights to Insurance and Assistance

The months and years just ahead will test public understanding of the program and of the adequacy of its provisions and administration. We may expect an upturn in claims for old-age and survivors insurance from people who are now eligible but are not taking their benefits. As war plants cut back and servicemen return, many older workers and inexperienced workers will find they must

or wish to give up paid work and will claim their benefits under this Federal system. In unemployment insurance, too, many workers will have occasion to draw on their insurance rights, for which contributions have been paid by their employers—in a few States, by the workers as well.

All unemployment insurance laws include certain tests to show that a person is genuinely unemployed. In addition to having the necessary wage credits that show he has worked in covered employment, he must be able to work and available for work, must report regularly at the employment office, and be willing to take any suitable work offered him. Benefits cannot be denied, however, if he refuses unsuitable work or work which is below the community's standards for that kind of a job in rate of pay, hours, or other working conditions; these provisions protect not only workers but conscientious employers and the community generally. Up to the number of weeks of benefits to which his wage credits entitle him, the worker who cannot find another job has a fraction of his former earnings to live on while he looks for work that he is equipped to do.

During the wartime labor shortage, some people have contended that a person who lost his job should be obliged to take any work that was open or forfeit benefits otherwise due him. They haven't stopped to think that an elderly bookkeeper, for example, ordinarily is not physically able to take a job in a foundry or acceptable to the employer, no matter how badly foundry workers are needed. A musician who lost his job when the curfew was imposed usually could not be expected to become an efficient truck driver or tend a mangle in a laundry. At any one time some people who fall out of work do not match the jobs that are open, even when the openings are many and urgent. At best, benefits represent about half, and now more commonly one-third, what a man has been earning in the months before he lost a job. Benefits are not paid for the first week or two of unemployment and continue for only a limited number of weeks of unemployment. Thus there is no lack of economic pressure on most beneficiaries to take jobs when they can get them.

In the war years, people have been

urged, as a patriotic duty, to take new work and develop new skills. Some of them would have done so anyway; the war has only given them a better chance than they would have had otherwise. For others, the war has meant perhaps the chance of a lifetime to escape from disagreeable, low-paid jobs to which they hope never to return. Particularly because of the hard times for years before the war, many workers have known for the first time what it is to have regular earnings that give them and their families a decent livelihood and perhaps some chance to save. As the reconversion progresses and many people have to look for new and different jobs, often in different towns or cities, decisions on "suitable work" that are just and reasonable for all concerned will become increasingly difficult.

Changes in the labor market that will force out older people and inexperienced workers are also likely to force an increasing number of people to have recourse to what is now recognized as the right to assistance. Rights to social insurance are conditioned on wage loss; rights to public assistance, on need. But they are both rights recognized by law. The Social Security Act sets up several safeguards to this right to assistance. Aid must be given in money, which the recipient is free to spend as he thinks best, just as people spend other money. If he disagrees with the decision made in his case, the assistance agency must give him a fair hearing. Any personal information he gives the agency must be held confidential.

Now these requirements were not established merely as a kindness to the recipient. They are intended to help him and his family to remain or become the kind of persons the community wants—self-respecting, self-responsible, capable of managing their own affairs. If the recipient has the capacity to become fully self-supporting, these provisions will help him to do so. Children who are being aided because their father is dead or disabled or absent should not be branded as different from other children in the community; that is one way in which poverty and dependency may be continued from generation to generation.

Being needy is not a condition which people seek. Few in this coun-

try would consider the subsistence levels at which assistance recipients live an enviable lot. The more we learn about the conditions that cause need or are associated with need, the more impossible it becomes to draw the old distinctions between the worthy and unworthy poor. Probably assistance will always seem somewhat of a stigma to most people who receive it, because in a money economy there is a sense of personal failure and limitation in not having enough to live on. But as communities fully recognize the right to assistance on the part of persons who lack what is necessary for a minimum level of decent human existence, they will help to wipe out the conditions that make for hopelessness and lack of thrift and tend to perpetuate dependency.

Both the insurance and assistance programs under the Social Security Act are built on the assumption that it is hope, not fear, that leads people to exercise initiative and assume the responsibilities of citizens in a democracy. This seems to me not only a reasonable assumption from our prevailing experience with human nature, but also a necessary assumption if we are to hold to the principles of a democracy.

Next Steps in Improving Social Security

In these first 10 years of its development, social security measures have been focused on the needs of particular groups. In 1935, when the act was formulated, the unemployed were in the forefront of everyone's mind. Both legislators and the general public were also becoming increasingly aware of the problem of old-age dependency. That was inescapable, not only because the depression had wiped out the lifetime savings of many aging people, but also because the proportion of the aged in the population was increasing and city life often brought changed circumstances. There are relatively fewer sons and daughters to care for the old people, and city flats cannot be stretched to care for additional members of a family. Most city people have to buy, rather than raise, the family's food; support of aged relatives therefore more often has to be measured in money, rather than in work that old people themselves can share. In city life, children also are no longer an

economic asset to a family as they were, and to some extent still are, in country life.

Now we are beginning to think less in terms of groups or categories of people and more in terms of the risks to economic security that strike nearly all families at some time in the course of their existence. From this standpoint, our program is still far from complete.

American workers and their families still lack any comprehensive insurance provision against two prime causes of poverty and dependency—wage loss in sickness and disability and costs of medical care. Our basic insurance program—old-age and survivors insurance—still covers only about three-fifths of all the jobs in the Nation. In unemployment insurance, coverage is even more limited, and the amount a jobless worker gets and the number of weeks for which he can draw benefits if he remains unemployed differ greatly from State to State for workers with similar records of past earnings. Contribution rates differ likewise for employers in the same business and with like records of employment experience.

Standards of public assistance also vary greatly among the States, chiefly because of basic State differences in economic capacity, the limitations of our present system of matching Federal grants-in-aid for the three special types of assistance, and the lack of any Federal participation in financing general assistance. States with only small resources of their own can now claim only small amounts of matching Federal funds, though presumably their assistance needs are greater than those of States which have large resources and so can get large amounts in matching Federal funds.

At the end of these 10 years we have the information and experience to enable us to round out the social security program in terms of the risks it should cover and the groups of the population for which it should afford protection. Contributory social insurance is a method which can be used to compensate any of the major risks of wage loss—sickness and extended disability, unemployment, retirement, and death, as well as the costs of medical care. A comprehensive social insurance system could afford protection to all to whom these

risks apply. It could have the simplicity and economy attainable through use of a single set of wage records, a single contribution, a single set of local offices to administer all types of cash benefits.

In public assistance, studies of the Board have indicated the desirability of providing special Federal aid, on an objective basis, to States with only small resources of their own, in addition to the 50-50 Federal grant, so that they too would be able to provide their needy people with a decent minimum level of subsistence. Federal participation, the Board also believes, should extend to general assistance and should include sharing the costs of providing medical care to needy persons.

The Course of Development

Our present concern with problems of rounding out protection against economic risks and of harmonizing the network of various types of provisions that have developed more or less haphazardly under various laws follows a course that has been evident in every country that has adopted social security measures of one type or another. It is perhaps notable that in this country we are approaching this phase after only 10 years, while England, in which a comprehensive reconsideration and revision of social security measures is now under way, is undertaking it more than 30 years after adoption of its first extensive program of social insurance.

In this process of development, two fundamental principles are at work—the principle of providing adequacy of benefits and that of providing universality of protection. A program starts out by establishing protection for a particular group that has aroused public concern—injured workmen or old people or children or veterans and so on. Then a law is passed to deal with a particular problem. In time several laws may come to deal in different ways with various parts of a problem. The people who are left out or have only an inadequate share feel that they, too, should have protection. Then comes the phase which we have already entered—trying to distinguish and harmonize existing ways of meeting a problem and making sure there is no avoidable gap and no undesirable overlapping.

Under adequacy of benefits I place not only the amounts but also the simplicity and objectivity and certainty of the provision. Here much has already been accomplished but much remains to be done. Hardly is a law on the statute books before some one proposes some way to improve it. People who distrust social security anyway are likely to complain about the entering wedge or to say, give an inch and they take a mile. But social security is so close to the essentials of our thinking and living that it too cannot help but be evolutionary.

Few people are content to accept for themselves the income and houses and other possessions that their parents or grandparents considered rather satisfactory. If we believe that the United States will continue to develop, we must believe that social security will also evolve and must realize that no particular set of provisions or dollar amounts will ever represent a constant or general standard of adequacy.

Our Objectives in Social Security

Our social security program reflects the kind of economic and political order we want. That, I take it, is a

democracy which provides opportunity for all yet rewards individuals in accordance with their capacities and efforts. Thus our social insurance benefits, unlike those in some other countries, differ in amount according to the beneficiary's past earnings.

But enlightened self-interest, as well as common humanity, requires that we set a floor beneath which human beings in our civilization shall not sink. Only in that way can an industrialized society preserve political democracy and a competitive economy in accordance with our traditions. By setting and maintaining such a minimum, we help to ensure an effective labor force and the steady stream of widely diffused purchasing power needed to keep workers steadily and fully employed.

In terms of social security, this objective is expressed in various ways. It is expressed in the relatively larger benefits of lower-paid workers, whose need is presumably greater, and in benefits to compensate for part of the loss in purchasing power which occurs when a man's capacity to earn is cut short temporarily or permanently for any reason that he himself cannot control. It is inherent in special

provision for the worker's dependents and in the recognition of the right to assistance on the part of needy persons. In financing, it requires the recognition that the people as a whole, as taxpayers, have not only an obligation but an interest in supporting any part of the costs of needed social insurance provisions that cannot be borne justly by the contributors themselves.

When President Roosevelt signed the Social Security Act in 1935, he called it the "cornerstone in a structure which is being built but is by no means complete . . ." The amendments of 1939 greatly strengthened certain parts of the program but left other needed protection still unrealized. The Social Security Board, in accordance with its responsibility for studying and reporting on ways of improving economic security, has outlined on other occasions its view of changes that are necessary and now feasible. Our success in achieving "domestic tranquillity" and lasting peace will depend in no small measure on the ability of this and other countries to achieve greater security for their peoples. In these first 10 years we have laid the foundation for that effort.

Milestones in the Development of the Social Security Program

1935

ON AUGUST 14, 1935, President Roosevelt signed the Social Security Act. Passage of the act followed the President's recommendations to Congress in June 1934 and intensive work by the Committee on Economic Security, created in the same month to study and recommend legislation to promote economic security. The Committee's report was transmitted to Congress by the President in January 1935, and the Economic Security Bill, embodying the Committee's recommendations, was introduced January 17. A second bill, introduced on April 4 after public hearings, was passed as the Social Security Act.

On August 23 the Senate confirmed the President's nomination of the original members of the Social Security Board—John G. Winant, Chair-

man, Arthur J. Altmeyer, and Vincent M. Miles.

Since Congress adjourned without appropriating funds for implementing the act, the Board began operations with funds made available in October by the Department of Labor. On December 20 the first State¹ plan for old-age assistance—Michigan's—was approved, and on December 23 the Wisconsin plans for old-age assistance, aid to the blind, and aid to dependent children. The first State unemployment compensation laws approved by the Board were those of the District of Columbia, on November 15, and of Wisconsin, on November 27.

The Railroad Retirement Act of 1935 and the Carriers Taxing Act,

which was later declared unconstitutional, were approved by the President on August 29.

1936

ON JANUARY 1, Federal pay-roll taxes of 1 percent on subject employers having 8 or more employees were first payable under title IX (subsequently the Federal Unemployment Tax Act). The Board had approved 6 State unemployment compensation laws and 15 State plans for old-age assistance, 9 for aid to dependent children, and 10 for aid to the blind.

The first appropriation to implement the Social Security Act with funds for organization of the Social Security Board, administration of the Federal program, and grants to States was made on February 11; payment of public assistance grants to the States

¹ Throughout this issue the word "State" is used as defined in the Social Security Act, to include Alaska, Hawaii, and the District of Columbia.

started that same month, and the first grants for the administration of State unemployment compensation laws were made in March. On August 17 an unemployed worker in Madison, Wisconsin, received the first unemployment benefit under a State law. Assignment of account numbers to persons who were working or expected to work in jobs covered by old-age insurance started on November 24. By the end of the year, more than 17 million employee account numbers and 2 million employer identification numbers had been issued.

On November 23 the Supreme Court upheld, in a 4-to-4 decision, the constitutionality of the New York State unemployment insurance law.

1937

AS THE YEAR OPENED, 36 State unemployment compensation laws had been approved by the Board. Plans had also been approved for old-age assistance in 42 States, for aid to dependent children in 28, and for aid to the blind in 30. In old-age insurance, contributions from employers and employees first became payable under title VIII of the act (later the Federal Insurance Contributions Act), covered workers began to acquire wage credits toward old-age benefits, and lump sums became payable to those who reached age 65 and to the survivors of covered workers. By the end of the year, more than 37.1 million social security accounts had been established and identification numbers had been issued to 2.6 million employers. With the approval by the Board of 15 State laws during the year, unemployment insurance became Nation-wide, and 21 million workers were in jobs covered by unemployment compensation. Unemployment benefits were payable only in Wisconsin, however.

The constitutionality of the insurance programs established by the Social Security Act was upheld by the Supreme Court in its decisions of May 24.

In May the Board, in cooperation with the Senate Committee on Finance, created an Advisory Council on Social Security, representing employers, employees, and the general public, to study operation of the act and make recommendations.

On June 24 the Railroad Retirement Act of 1937, which amended portions

of the 1935 act, was approved by the President. Five days later, on June 29, he approved the Carriers Taxing Act of 1937, which repealed the act of August 29, 1935. In its annual report for the fiscal year ended June 30, the Social Security Board expressed its conviction that protection against the risks of unemployment and old-age dependency should be extended to groups of the population who, for administrative reasons, were not then included, and that study should be continued of the feasibility of protection against additional types of risk.

1938

UNEMPLOYMENT had increased sharply by January, when unemployment benefits became payable in 22 States. By the end of the year 31 States were paying benefits, and the number of local employment offices had expanded from 229 to 900. During all or part of the year, all States used Federal funds for old-age assistance, 42 States for aid to dependent children, and 42 for aid to the blind. In December, payments for all public aid (public assistance and Federal work programs) reached \$304 million, the highest peak since the Social Security Act became law. A total of 43.4 million social security accounts for old-age insurance had been established.

Attention centered during the year on proposals for amending the act. President Roosevelt, the Social Security Board, and the Advisory Council on Social Security recommended extending and liberalizing old-age insurance. The President asked that the Board consider the feasibility of extending coverage, commencing the payment of old-age insurance annuities before January 1, 1942, paying larger benefits than originally provided for workers retiring during the earlier years of the system, and providing benefits for aged wives and widows and for the young children of insured workers who die before reaching retirement age. The Advisory Council recommended these changes and also proposed disability benefits for insured persons and their dependents; coverage at once of employees of private nonprofit religious, charitable, and educational institutions, and by January 1, 1940, if possible, of farm and domestic employees, as well as a study of the problems involved in coverage of self-employed persons

and government employees; financial participation by the Federal Government from revenues other than payroll taxes; and establishment of a trust fund.

In accordance with the President's request, the Board continued its study of the old-age insurance program and drew up a special report on proposed changes in the act, which was transmitted by the President to Congress early in 1939.

On July 18-20, at the President's suggestion, a National Health Conference was called by the Interdepartmental Committee to Coordinate Health and Welfare Activities to bring the problems of national health and certain recommendations for a national health program before professional groups and the public. A subcommittee—the Technical Committee on Medical Care—included in its report on *A National Health Program: A Summary*, recommendations for public medical care for the medically needy; consideration of a medical care program for the entire population, to be supported by general taxation or insurance payments or a combination of both; and Federal action toward development of temporary and permanent disability insurance for workers. These proposals were placed before the National Health Conference for study and discussion.

1939

IN JANUARY, unemployment benefits became payable in 18 additional States, and by July unemployment compensation systems were in full operation in all 51 jurisdictions. During the year some 5 million unemployed workers received more than \$429 million in benefits. By the end of 1939, nearly 49 million social security accounts had been established for old-age insurance, and all States had approved plans for old-age assistance, 42 for aid to dependent children, and 42 for aid to the blind.

The Board's report, "Proposed Changes in the Social Security Act," considered in the legislation adopted later in the year, was transmitted by the President to Congress on January 16.

The report of the Interdepartmental Committee to Coordinate Health and Welfare Activities, transmitted to Congress by the President on January 23, included recommen-

dations for the use of Federal grants to expand and strengthen general State services for public health and for maternal and child health and to develop needed hospital facilities and State programs of medical care; it also recommended development of a system of disability insurance.

On July 1, under the Federal Reorganization Act of 1939, the Social Security Board was made part of the newly established Federal Security Agency, and the U. S. Employment Service was transferred from the Department of Labor to the Board.

Benefits under the Railroad Unemployment Insurance Act first became payable on July 1. Provision was made for transfer from the State unemployment compensation funds to the Railroad Retirement Board of the excess of contributions paid on behalf of railroad workers over expenditures for benefits.

The Social Security Act Amendments of 1939, signed by the President August 10, made major changes in old-age insurance, principally by expanding the program to include dependents' and survivors' benefits and by making benefits payable in 1940 instead of 1942. Lump-sum payments to workers at age 65 were discontinued, benefits were increased for eligible workers retiring in the early years of the program, and an old-age and survivors insurance trust fund was established to take over the assets of the old-age reserve account.

Several important changes were also made in other provisions of the act. Congress approved raising the annual limit for appropriations for administrative expenses of State unemployment compensation agencies from \$49 to \$80 million and broadened the provisions for additional credit given employers against the Federal tax. The amendments relating to public assistance were designed chiefly to liberalize and clarify existing Federal provisions and to strengthen the administration of the State plans. Federal financial participation for aid to dependent children was increased to one-half (instead of one-third) the amounts expended under the State plan, with a maximum payment of \$18 for the first child and \$12 for each additional child aided in the same home; the age limit for children toward whose payments Federal funds can be used was raised from 16 to 18 years if the child

attends school regularly. The maximum for individual payments in which Federal matching funds may be used was increased to \$40 a month for aid to the blind and old-age assistance, and Federal reimbursement for State expenditures for administering aid to the blind was increased to 50 percent.

Under the amendments, also, the States were required, as of January 1940, to establish and maintain merit standards for public assistance and employment security personnel as a condition of their receipt of Federal grants.

1940

MONTHLY BENEFITS to retired workers and to their dependents, and to the survivors of deceased workers, became payable at the beginning of the year, bringing old-age and survivors insurance into full operation. State-Federal programs for old-age assistance were in effect in all States, and for aid to the blind in 43, for the entire year; 43 States used Federal funds for all or part of the year for aid to dependent children.

All States paid unemployment benefits throughout the year; monthly disbursements reached their peak of \$55.7 million in July. Under the impetus of the defense program, however, employment began to swing upward in the last 5 months of the year, and unemployment benefits for December totaled only \$30.9 million.

On September 14 the President recommended to Congress legislation designed to protect the social insurance rights of workers called into military service. The Social Security Board, in its *Fifth Annual Report*, recommended that old-age and survivors insurance be extended to most of the major excepted employments; that the provisions of old-age and survivors insurance be coordinated with those of other systems for Federal, State, and local government employees; that unemployment compensation be extended to employees working for employers of 1 or more, maritime workers, and other excluded groups, except public employees and the self-employed; that the Federal Government share in the costs of general assistance; and that provision be made to cover the risks of medical costs and of wage loss during temporary or permanent disability.

1941

DURING THE YEAR, 4 State programs of aid to dependent children and 1 of aid to the blind were established under the Social Security Act. The Federal Government participated in programs for old-age assistance in all States, as in earlier years; for aid to dependent children in 47 States, and for aid to the blind in 44 States.

By 1941 the effect of the defense program was evident in all phases of the Nation's economy; it was reflected immediately in the operations of unemployment compensation and indirectly in the other Board programs. At the same time, proposals for improving the programs continued. On January 6 the President, in his message to Congress on the state of the Union, recommended that the coverage of the two insurance programs be extended, opportunities for adequate medical care widened, and plans made for a better employment system for assuring work for persons needing gainful employment. On August 14, in the Atlantic Charter, President Roosevelt joined the Prime Minister of Great Britain in including among the common principles in national policies of the two countries the desire "to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement and social security."

A system of disability compensation and Federal sharing in the costs of medical care for recipients of assistance were among the recommendations made by the Board in its report on the sixth year of operations under the Social Security Act. In addition, the Board expressed its belief "that measures to assure adequate medical care to all persons who need it and to protect workers and their families against the costs of medical care are of basic importance to social and national security and that a beginning should be made in this field." It also recommended provision, in equity to the men called into the national service, for preserving servicemen's rights under the insurance programs.

1942

THE DECLARATION of war on December 8, 1941, brought all resources of the social security programs into the war

effort. On January 1, in accordance with the affirmative response of State Governors to the President's request of December 19, 1941, the States turned over to the Social Security Board the operation of the State-administered employment offices, to effect the fullest utilization of the Nation's labor supply. Four months later, on April 18, the War Manpower Commission was established by Executive order, and on September 17 the USES was transferred to the Commission to consolidate all authority over employment and employment training. The Chairman of the Social Security Board served as Executive Director of the WMC from May until December.

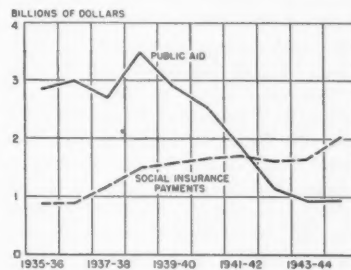
Emergency benefit and assistance programs for civilians were authorized in February 1942, when the President allocated \$5 million to the Federal Security Agency Administrator "to be expended . . . for providing temporary aid necessitated by enemy action to civilians." The Administrator allocated funds to the Social Security Board for administering benefits through the Bureau of Old-Age and Survivors Insurance and assistance through the Bureau of Public Assistance, which also received operating responsibility for the resettlement assistance program for enemy aliens and American-born Japanese on the West Coast.

On April 12 the agreement became effective between the United States and Canada for coordinating and integrating the unemployment insurance of the two countries to avoid duplicating contributions and benefits. On April 29, Rhode Island enacted the first State sickness compensation law, providing cash sickness benefits for workers covered by the State unemployment compensation law.

With the decline of Federal work and other emergency programs of the 1930's and the development of old-age and survivors insurance, income payments to individuals under all social insurance and related programs began in May to exceed all public aid payments (chart 2).

The Permanent Inter-American Committee on Social Security was created by the Inter-American Conference on Social Security, which opened in Santiago, Chile, on September 10, with the Chairman of the Social Security Board as chairman of

Chart 2.—Social insurance and related payments and all public aid, by fiscal year, 1935-45¹



¹ For types of payments represented, see table 1, p. 50.

the delegation from the United States.

The Revenue Act of 1942 (October 21) postponed the increase in the rate of contributions scheduled for 1943 under the Federal Insurance Contributions Act. The new law held the 1943 rate at 1 percent each for employers and employees and specified that the increase to 2 percent should be effective for 1944 and 1945.

1943

THROUGHOUT THE YEAR the impact of the war economy was apparent in all social security programs. Claims for unemployment benefits were greatly reduced in number, assistance rolls declined, and the beneficiary rolls of old-age and survivors insurance recorded less than the anticipated increase. In September one State—Wyoming—paid no unemployment benefits, and in October and November, expenditures for unemployment benefits reached the all-time low of \$3.5 million. All Federal emergency public aid begun in the 1930's was terminated by the end of June; Federal financial participation in public aid thus became limited to the special types of public assistance under the Social Security Act. All States administered old-age assistance with Federal participation; 49 States, aid to dependent children; and 46, aid to the blind.

Plans for social security for the armed forces and for a comprehensive postwar system of social security received much attention. Probably the most detailed proposal was that of the National Resources Planning Board, sent to Congress by the President on March 10.

Coverage under old-age and survivors insurance for the duration of the war was extended on March 24 to seamen employed by or through the War Shipping Administration; the Administration was authorized to make wage deductions and tax contributions as though it were a private employer. The first disability payment under the civilian war benefits program was made to a civilian defense worker on March 26.

In April, Rhode Island began payment of cash sickness benefits to workers covered by its unemployment compensation program. In May the Supreme Court decided in a New York case that there were no constitutional limitations to the States' extending unemployment compensation coverage to maritime workers.

The Social Security Board went on record in its *Eighth Annual Report* as favoring comprehensive measures to distribute medical costs and to assure access to medical care to all who need it. It recommended a comprehensive national system of social insurance, with provisions for compensating insured persons and their dependents for a reasonable portion of wage losses due to unemployment, sickness and disability, old age, and death, and a considerable part of the expense of hospital and medical services. A substantial part of the cost should be met by employer and employee contributions; eventually a Government contribution from general tax funds would be warranted. For the State-Federal system of public assistance, the Board recommended a variable-matching basis for Federal grants; Federal participation in assistance for children who are needy for any reason whatever; elimination of the Federal matching maximum in aid to dependent children; and Federal financial participation in general assistance and in costs of medical care of public assistance recipients.

Vocational rehabilitation provisions of the Social Security Act became inoperative with enactment July 6 of the Vocational Rehabilitation Act Amendments which broadened the program and made the Federal Security Administrator responsible for its administration.

On June 9, legislation was enacted permitting States to continue payments to old-age assistance recipients

at the rate paid in July 1943, without regard to any increase in resources from wages earned in agricultural employment.

On July 28 the President outlined a program for servicemen which included mustering-out pay, unemployment insurance for persons registered with the USES who cannot find jobs, and service credits toward unemployment compensation and Federal old-age and survivors insurance. On November 23 he recommended to Congress a uniform system of unemployment allowances for demobilized servicemen and women and military-service credits under old-age and survivors insurance, and he urgently requested enactment of Federal unemployment insurance for seamen. On December 22, Congress postponed for 60 days the increase in Federal insurance contributions scheduled for January 1, 1944.

1944

WITH THE PROGRESS of the war in Europe, problems of demobilization of the armed forces and civilian war workers, readjustment of the labor force, and industrial reconversion became more pressing. President Roosevelt urged the extension of old-age and survivors insurance to many groups now excluded and expansion of the program to include disability benefits. He stressed the need for extension to all members of the armed forces of credit under old-age and survivors insurance for their period of military service; for Federal unemployment allowances for members of the armed forces; for postwar education and unemployment insurance for members of the merchant marine; and for unified programs for demobilization of war workers, for their reemployment in peacetime pursuits, and for the provision, in cooperation with the States, of unemployment benefits during the transition period.

Several laws to promote orderly demobilization and reconversion were enacted. The Mustering-Out Payment Act of 1944, approved February 3, provided for payments to veterans of World War II honorably discharged or relieved from active service. The G. I. Bill of Rights—the Servicemen's Readjustment Act of 1944—was approved on June 22 and included provisions for education and training allowances, special placement services

through the USES, and readjustment allowances while the veteran is finding employment. In September all State employment security agencies began administering the readjustment allowances provisions.

The War Mobilization and Reconversion Act of 1944, in addition to establishing the Office of War Mobilization and Reconversion, amended the Social Security Act by establishing a Federal unemployment account in the unemployment trust fund and adding title XII, providing for advances to State unemployment funds when the funds approached insolvency. Title VI of the Social Security Act was repealed by the Public Health Service Act of July 1, which consolidated and revised the existing laws relating to the Public Health Service.

The Revenue Act of 1943, passed over the President's veto on February 25, extended throughout 1944 the postponement of the scheduled increase in contribution rates under the old-age and survivors insurance program; it also authorized an appropriation to the trust fund of any additional amounts required to finance benefits and payments under the program. A Board ruling of October 31 permitted recomputation of old-age and survivors insurance benefits to include credit for additional wages for services performed after the original award had been determined.

By August, 9 years after the signing of the Social Security Act, the number of monthly benefits in force under old-age and survivors insurance reached a million; the millionth beneficiary was the widow of a Cleveland war worker.

1945

PRESIDENT ROOSEVELT, in his message of January 6 on the state of the Union, stressed the need for an "American economic Bill of Rights," and in his budget message presented 3 days later he expressed the hope that Congress would give "early consideration to extension and improvement of our social security system and will reexamine the financial basis of the program." On March 26 the House voted funds for a study of the Social Security Act, with particular reference to old-age and survivors insurance and the related problems of coverage, benefits, and taxes.

The 20 American republics repre-

sented at the Inter-American Conference on Problems of War and Peace, held early in the year in Mexico City, reinforced guarantees for continental security and solidarity with recommendations for extending social security plans, improving conditions of labor, and protecting family life.

In April, Congress exempted income earned by old-age assistance recipients in caring for the sick from consideration in determining their need. Both this exemption and the exemption of income earned by old-age assistance recipients in agricultural labor will expire 6 months after the war ends.

On May 28, President Truman called on Congress to widen the coverage of unemployment compensation to include Federal employees, maritime workers, and other workers, their benefits to be financed entirely by the Federal Government but administered by the States. He also recommended that Congress supplement, out of Federal funds, existing benefit provisions up to a maximum of at least \$25 for a claimant with dependents, and for as much as 26 weeks for workers who remain unemployed.

In June, payments under the public assistance programs (including general assistance) totaled \$81.1 million, in contrast to \$304 million for all public aid in December 1938. Programs under approved State plans were in operation in all 51 States for old-age assistance, in 49 States for aid to dependent children, and in 46 States for aid to the blind. Expenditures for unemployment benefits, which had reached a peak of \$55.7 million in July 1940, were \$9.7 million in June 1945. Under old-age and survivors insurance, 82.2 million accounts had been established by the end of June. It is estimated that living account holders included more than 74 million persons or almost 70 percent of the total population aged 14 and over. About 1.3 million beneficiaries were entitled to monthly benefits totaling \$23.6 million a month. Almost 750,000 aged workers were eligible but because of earnings in covered employment had not filed for benefits.

In a tenth anniversary statement on August 13, President Truman hailed the Social Security Act as "one of the great peacetime achievements of the American people." We can be proud of the progress made in the brief 10 years in which social security

has become an essential part of the American way of life. But "we still have a long way to go before we can truthfully say that our social security system furnishes the people of this country adequate protection. Therefore we should lose no time in making our Social Security Act a more perfect instrument for the maintenance

of economic security throughout this country.

"I expect to present to the Congress specific recommendations looking toward this objective."

A sound social security system, he added, "requires careful consideration and preparation. Social security worthy of the name is not a dole or

a device for giving everybody something for nothing. True social security must consist of rights which are earned rights—guaranteed by the law of the land. Only that kind of social security is worthy of the men and women who have fought and are now fighting to preserve the heritage and the future of America."

Ten Years in Review

DEMOCRACY CAN thrive, President Roosevelt once said in a talk to the Nation, only when it adequately respects the dignity of the common people "by so ordering society as to assure to the masses of men and women reasonable security and hope for themselves and for their children." Developments under the Social Security Act, summarized in the preceding section, are one measure of progress in establishing the ground work for that security and hope.

Another measure is the adequacy and universality of the protection offered. The following pages outline briefly the extent to which our population shares in protection under the Social Security Act and related public programs; review developments in the three major programs for which the Social Security Board has administrative responsibility; and describe the expansion of social insurance in other countries during the past decade, despite war and the threat of war.

ance to provide income in their old age and protection for their families.

Yet even in a year like 1944, when the threat of unemployment was at a minimum, there were relatively few families whose economic security and independence would not be seriously lessened or lost by the old age, disability, or death of the family breadwinner. In an average year most families can save little or nothing out of current income. The major economic risks for which the insurance and assistance programs of the Social Security Act were established persisted in the wartime economy.

At the end of these 10 years since the Social Security Act became law, what, in terms of public provision for social security, do the people of the Nation possess?

Most workers in industry and commerce have or are earning protection

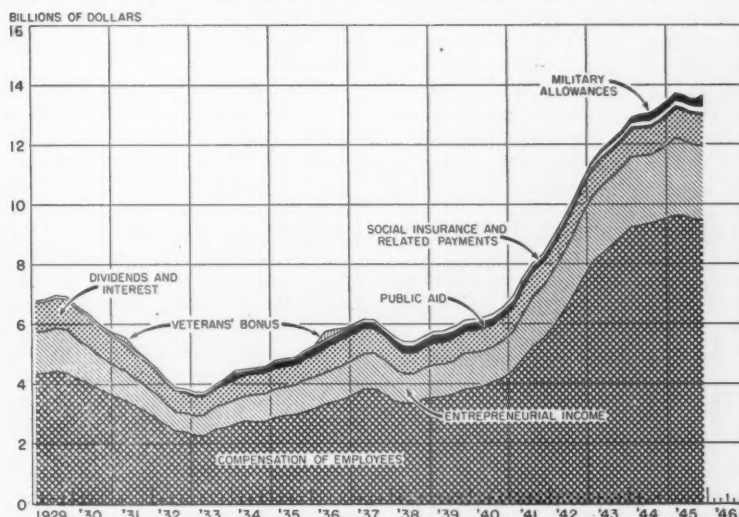
Social Security Today

IN THE TENTH YEAR of the social security program in the United States, the wartime economy gave an opportunity for earnings to nearly everyone who was able to take a job. Individual income, including pay of servicemen and allowances to their dependents, was at the highest levels in the country's history (chart 3). Nearly half the total population was in the civilian labor force or the armed services. Unemployment averaged not much more than three-quarters of a million persons, less than had been thought possible in any circumstances in this country. With the withdrawal from civilian employment of some 11½ million men and women into the armed forces and with the unprecedented demands for workers, millions of persons who otherwise could not have got or kept jobs were able to support themselves wholly or at least partially. Among these were old people, children and other inexperienced workers, handicapped persons, and women who ordinarily would not have taken work outside their own homes.

Steady work and higher wages, together with the lack of certain types of consumer goods, enabled many

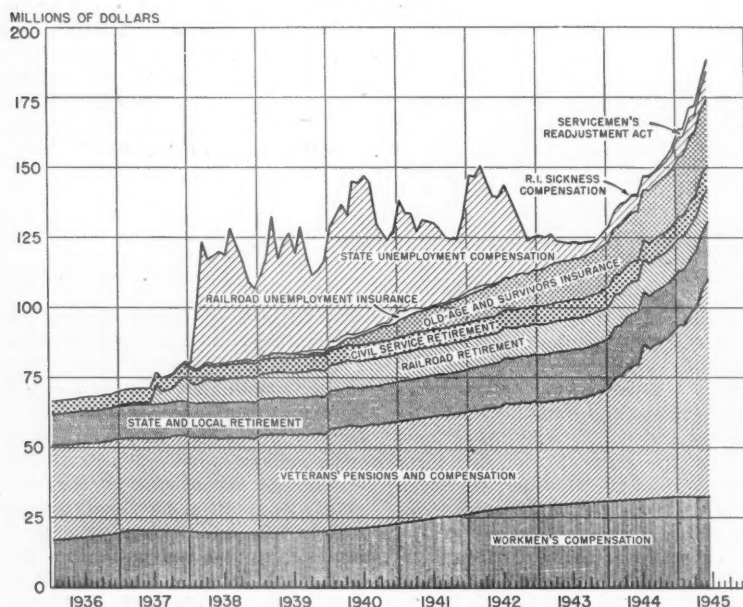
families to put aside appreciable savings for future contingencies. As in other years, too, a large number of persons were able to purchase or increase their holdings of private insur-

Chart 3.—Income payments to individuals, January 1929–June 1945¹



¹ Monthly average for each quarter for the period 1929–44; monthly data thereafter. Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Chart 4.—Payments under selected social insurance and related programs, January 1936–June 1945



under the Federal system of old-age and survivors insurance. In an average week in 1944, almost 30½ million of the 51.8 million employed persons were in jobs covered by old-age and survivors insurance. Another 4 million persons were railroad workers and Federal employees who were covered by special Federal retirement systems, and about half of the 3 million persons working for State and local governments were also members of special retirement systems. In general, however, these various special retirement programs give little or no insurance protection to survivors in the event of the worker's death.

Nor was insurance protection under the Social Security Act or other public programs available for the millions of agricultural and domestic workers, farmers, and other self-employed persons who were excluded from insurance coverage because of anticipated administrative difficulties in the early years of the program.

Except for those in small firms, most workers in industry and commerce were also covered by State unemployment compensation or railroad unemployment insurance systems. For veterans of the present war, readjustment allowances financed by the Federal Government were avail-

able to tide them over while they were finding suitable jobs.

Members of the armed forces and their families and veterans of this and earlier wars had various forms of public protection against death and disability. The Government's share of allowances to servicemen's dependents constituted an important source of income in 1944 and 1945, approaching by June 1945 the total expenditure under all social insurance and related programs and public aid, combined.

A large proportion of the workers in industry and commerce and in Federal employment, and some employees of State and local governments, were covered by workmen's compensation laws. Yet the work-connected injuries and illness compensated by such payments represent only a small fraction of all disabling illnesses and injuries. Railroad workers and Federal employees—and members of some of the State and local governmental retirement systems—had provisions for retirement in case of total disability, and Federal pensions and compensation were available for disabled war veterans and their survivors. Aside from these special groups, however, no general comprehensive social insurance provisions were in effect to

meet the risks of illness and disability.

For workers not covered by social insurance and for others for whom social insurance provisions were not adequate for one reason or another, public assistance was the main source of support when individual savings and help from relatives were inadequate to meet subsistence needs. With the termination by the middle of 1943 of Federal work programs and other Federal emergency programs initiated in the depression years, public aid comprised assistance to the needy aged, needy blind, and dependent children—nearly all of which was administered under the Social Security Act—and general assistance, administered and financed wholly by States and localities. These provisions varied greatly, however, from State to State and from locality to locality in the amount of assistance received and, for general assistance, in the extent to which aid was actually available to needy persons.

Unemployment

In August 1935, unemployment was undoubtedly the most serious major threat to family security. The Federal work programs to cope with that problem were just getting under way (chart 5). Expenditures under all forms of public aid amounted to nearly \$270 million in March 1936 and reached \$304 million in December 1938. By far the largest part of this amount represented aid to families whose potential wage earners could not get work.

In contrast to the situation 10 years ago, millions of workers have an insurance protection based directly on their covered employment and earnings and theirs as a right. During 1944 some 44 million persons worked at some time in jobs in which they earned wage credits toward unemployment benefits. Of these, about 36 million had sufficient credits to be eligible for benefits if they lose their jobs.

In an average week in 1944, State unemployment compensation systems paid benefits to some 79,000 unemployed workers, less than one-tenth the number for 1940, when the weekly average was 982,000. Adding the number of railroad workers receiving benefits under railroad unemployment insurance and of ex-servicemen drawing readjustment allowances under the G. I. Bill of Rights, the

weekly average of persons drawing unemployment benefits in the spring of 1945 was about 125,000.

Of the persons who filed valid claims for benefits under State laws in 1944, more than 4 out of every 10 did not draw benefits, mainly because they found other jobs almost immediately. Only 2 in 10 of those who did receive payments drew all the benefits for which they were eligible. In 1940, more than half of the workers who drew unemployment benefits were unemployed at least long enough to exhaust all their benefit rights.

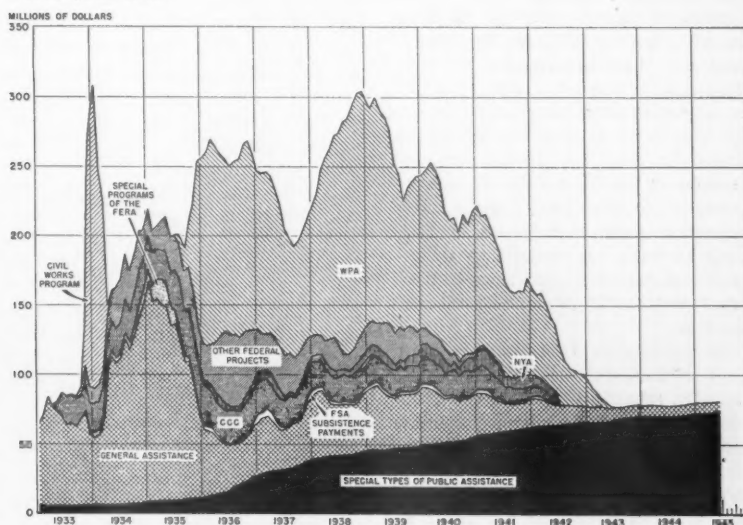
Old Age

Of some 9.9 million men and women aged 65 or over in December 1944, somewhat more than 2½ million were employed. About 900,000 of the latter were men who had aged wives not themselves in the labor force. Current earnings therefore may have represented an important source of support of about a third of the aged population. Of the remaining 6 million, nearly half were receiving some income from insurance or assistance under the Social Security Act or retirement benefits under the Railroad Retirement Act. Some 450,000 old people had benefits under the special retirement system for employees of Federal, State, and local governments, and under veterans' programs. Others depended wholly on savings or other income of their own, contributions from their family and friends, or private charity, or they were in institutions.

About 2.1 million needy old people were receiving assistance under the Social Security Act. This number was about the same as in December 1940, though the age group eligible for this type of assistance had increased by about three-quarters of a million persons in the 4 years. The average age of these recipients was about 75 years, and many were incapacitated by other disabilities as well as by age.

The war had brought employment opportunities to some old people, and others benefited from increased earnings of other members of the family. A substantial number, too, have been helped by allowances or other payments to dependents of servicemen. And with each year an increasing number of aged persons is becoming eligible for old-age and survivors insurance. As a result of these and

Chart 5.—Payments to recipients of public assistance and earnings of persons employed under Federal work programs in the continental United States, January 1933–June 1945



other factors, the total number of aged persons who applied for old-age assistance in 1944 was less than half that in 1940 and fewer than in any of the intervening years.

It is possible that by the beginning of 1945 these factors had had their maximum effect in enabling recipients to leave the rolls and other aged persons to refrain from applying for assistance. For the aged who are unable to work regularly in covered employment and for those whose working lives are spent wholly or mostly in noncovered occupations, public assistance will be the major source of support when individual savings and help from relatives and friends are inadequate for even their modest needs.

Old-age and survivors insurance has come to play an increasingly significant role in providing a basic retirement income to a portion of the aged population in the 5 years since monthly benefits became payable. By June 1945, some 760,000 old people were on the rolls to receive either retirement or survivor benefits, including retired wage earners entitled to primary benefits on the basis of their own previous earnings, their aged wives, and widows or dependent parents of deceased insured wage earners.

But for the war the number of aged beneficiaries would undoubtedly have

been much greater. Almost 750,000 fully insured aged workers who might have qualified for benefits had never applied, presumably because they were still continuing to work in covered employment. In June 1945 an additional 110,000 persons who had qualified for benefits had their monthly payments suspended because they or the person on whose wage record their benefits were based had jobs in covered employment. Many of the workers not receiving benefits were men whose aged wives might also have qualified.

Disability

Except as families were enabled to put by more savings, the employment opportunities of 1944 offered no real solution to the threat of disability, perhaps the most serious threat to family security because it strikes erratically and often without warning, may occur when family responsibilities are heaviest, and brings not only loss of earnings but also expenses of medical and hospital care. Probably 7 or 7½ million persons were disabled on an average day in 1944; for somewhat less than half of them the disability had lasted 6 months or longer. Some of these millions were old people who were receiving retirement benefits or public assistance, but perhaps half were in the working ages and presumably would have been in the labor force if they had not been disabled.

Except for persons with occupational illnesses and disabilities and for war-disabled veterans, there was no significant public provision to offset wage loss among these millions of persons and their dependents. Protection against wage loss due to work-connected disabilities is available under State workmen's compensation laws to most workers in industry and commerce; but disabilities of occupational origin, including the relatively numerous work injuries to agricultural workers, not covered by unemployment compensation laws, constitute less than 10 percent of all disabilities.

At the end of 1944, slightly more than 40,000 former government workers were receiving monthly disability benefits, almost all for long-continued disabilities. About the same number of former railroad workers were receiving monthly disability benefits; such payments, however, are available only to workers who have reached age 60 or have had 30 years of railroad employment, and the payments are therefore more in the nature of retirement than disability benefits.

About 4,500 individuals were receiving weekly sickness benefits at the end of 1944 under the sickness compensation program in Rhode Island, the only State including wage loss from sickness in its unemployment compensation program.

Some 900,000 veterans of the present and earlier wars were receiving disability benefits. For about 3 out of every 10 cases the disability was rated as at least 60 percent of total; the others had partial disabilities of a kind that would have excluded them from the count of 7 or 7½ million mentioned above.

Provision against the risk of disability is provided under the Social Security Act only on a needs basis through the public assistance programs. Payments under the act for aid to the blind were being made at the end of 1944 to about 56,000 needy blind persons. More than 50,000 of the families receiving aid to dependent children, it is estimated, were in need as a result of the incapacity of the father. And sickness or disability was the most important single reason for granting general assistance to families in large cities reporting regularly to the Board on their general assistance programs.

Death of the Family Earner

The original Social Security Act provided insurance programs to meet the risks of unemployment and old age, but the only insurance provision for survivors of deceased wage earners was a lump-sum payment on the worker's death. The 1939 amendments shifted the emphasis of that program to protection of the family and inaugurated monthly benefits to survivors of insured workers.

Of all children under 18 in the population at the end of 1944, between 2½ and 3 million were fatherless. About 200,000 of the latter were working—a much larger number than would be found in a normal year and than is socially desirable, since such work interrupted or cut short their schooling in many instances. About one-fifth of the others were receiving survivor benefits under old-age and survivors insurance or aid to dependent children. Some 70,000 were receiving benefits as survivors of veterans, and an equal number were being cared for away from home in foster homes or institutions. Almost half of the 3.2 million widows under age 65 were employed, and about one-tenth were benefiting from payments under the Social Security Act or other insurance and related programs. If the widow of an insured worker has no children in her care, she is eligible only if she is at least 65 years of age. Probably about two-thirds of all widows under age 65 have no children under age 18 in their care.

Some 40 million workers are insured under old-age and survivors insurance so that, if they should die, benefits would be payable to their eligible survivors. By the middle of 1945, almost 380,000 children and 145,000 widows with children in their care and 80,000 aged widows were entitled to monthly insurance payments. Both the number of survivor benefits and their relative importance are increasing with each year, as more wage earners acquire insured status. Many aged widows not eligible for insurance benefits were receiving old-age assistance. Of the children receiving aid to dependent children, probably about one-third—some 230,000 children in about 100,000 families—were receiving assistance because of the death of the father.

Medical Costs

Few families go through a year

without some need for medical services. Some pay little or nothing for such services, while the costs for others run into hundreds or even thousands of dollars. And no family can be sure how much medical care they are going to need or what it will cost. In general, however, the need is greatest among low-income families. These receive substantially less care than those in higher income groups, and at the same time they spend a greater proportion of their income for the care they do receive.

The amount of medical care available to the civilian population in 1944 was limited by the needs of the armed forces for doctors, nurses, dentists, and other medical technicians. There were also critical shortages of medical facilities and personnel in war-industry centers, as well as in other areas, predominately rural, which had had inadequate services even before the war. The high level of employment and wages, on the other hand, gave many families more money than they previously had had to purchase medical care.

Perhaps \$4 billion was paid in 1944 by individual families to doctors, dentists, hospitals, or laboratories, or for medical supplies, either directly or through voluntary prepayment plans. Payments of about \$140 million were made under workmen's compensation programs for medical and hospital care for workers disabled in the course of their employment. Federal, State, and local governmental expenditures amounted to some \$906 million during fiscal years ended in 1944. This amount included public health services, hospital care and construction, maternal and child health services and services for crippled children, as well as emergency wartime health and medical services.

It did not include medical care for the armed forces or amounts spent by public welfare agencies for medical services for needy and low-income groups. Expenditures for medical services for veterans, amounting to \$98 million in 1944, and for several of the emergency wartime health programs were considerably higher than in the preceding year.

All in all, the American people paid more than \$5 billion for civilian health and medical services in 1944, of which about one-fifth was financed from taxes. Of the \$4 billion spent by individuals, about one-twentieth was

paid through voluntary prepayment insurance plans. Such plans afford varying degrees of protection to those whom they cover. Their main shortcomings are that they reach only a part of the population, failing to reach those who have the greatest need of medical care insurance, and that their protection commonly is limited to costs of hospitalization or to hospital and surgical expenses.

A Foundation for the Future

Today, after 10 years of operation under the Social Security Act, when the Nation's economic and productive capacity is at a high level, two facts stand out clearly—the basic importance of employment as a source of economic security for individuals and families, and the magnitude of the continuing risks to such security.

Since only about three-fifths of the jobs in the Nation are covered by the basic Federal social insurance system, and a slightly smaller proportion by unemployment insurance, there are many workers who have no employment or only a part of their employment in covered industry and have therefore no protection or in-

adequate protection under these programs for themselves and their families.

For nearly the whole population, social insurance against wage loss in nonoccupational sickness or injury is lacking, and most in the population lack any comprehensive insurance protection—public or voluntary—against costs of medical care. The great general advance in State public assistance programs in the past decade, moreover, still leaves many areas without adequate provision for the needy aged, needy blind, and dependent children. All are without Federal participation in general assistance to assure that needy persons who do not qualify for the special types of assistance have some recourse to public aid when they lack the minimum essentials for subsistence.

In both insurance and assistance, however, the programs established under the Social Security Act have resulted in actual or potential protection to millions of families in the United States and have laid a foundation in public understanding and administrative experience on which to build for the future.

Old-Age and Survivors Insurance

IN TERMS OF THE time it will require for old-age and survivors insurance to reach full maturity, it is still in its childhood. The number of beneficiaries today is only a fraction of the number who will be receiving benefits 10 or 15 years hence. Acceptance by employers and workers of the idea of social insurance protection for old people and survivors, however, has been little short of phenomenal.

This general acceptance is the more remarkable because of widespread opposition to the idea of social insurance—even on the part of organized labor until 1932—before the passage of the Social Security Act. In preceding decades, moreover, there had been relatively little public demand for old-age and survivors insurance, though much general interest in unemployment insurance.

What was probably the first public study of old-age dependency in this country, that of the Massachusetts Commission on Old Age Pensions, Annuities, and Insurance, 1908-09,

recommended against government protection for old people through either insurance or public assistance. The prevailing reason given by the commission was that lightening the obligation of children to provide for their parents would tend to destroy the ties between parent and child and promote the disintegration of the family. By the time the Social Security Act was passed, six more States had authorized studies of pensions and insurance, but only in Pennsylvania had a commission recommended the adoption of contributory insurance as a long-range measure.

Before 1935, most of the pressure had been for State old-age "pensions" or assistance, on a needs basis, and for the Townsend Plan—flat payments to all old people. The former had resulted in enactment of old-age assistance laws by more than half the States; the latter, in an organized movement of old people which put great pressure on Congress. As early as 1931, however, President Roosevelt,

then Governor of New York State, urged establishment of contributory old-age insurance in that State, and in 1934, in a message to Congress, he urged it for the Nation.

Insurance to provide old-age income was nothing new. Many countries in Europe and South America had had long experience in administering government plans for either industry in general or special industries. After several countries had experimented with voluntary plans and had acquired some experience with special industry plans, notably for seamen and coal miners, Germany enacted a comprehensive old-age and invalidity insurance plan for most workers in the country in 1889. By 1939, at least 30 countries had compulsory old-age insurance systems for some or all workers.

Nor was systematic provision for workers entirely unknown in this country. In 1935, about 3 million workers were covered by private retirement plans, and an additional 1.3 million public employees, by Federal, State, and local government retirement systems. These retirement plans had demonstrated the value of systematic protection for workers. Moreover, a Federal law providing old-age and disability benefits for railroad workers on a contributory basis had been enacted in 1934 and, although it was declared unconstitutional, had been superseded by another measure in 1935.

Social insurance for survivors of workers was not included in the recommendations which the Committee on Economic Security laid before Congress at the time the Social Security Act was being formulated. About the only advocacy of such a measure on record is that of a committee of the White House Conference on Child Welfare in 1930. In other countries also, such legislation followed that for old-age insurance. Except for a few plans for special industries, no comprehensive legislation was passed until 1911, when Germany again pioneered in adding such protection to its social insurance code.

By 1935, 16 countries had established survivors' insurance. In the United States, "mother's pension" plans had become popular; 48 States had passed laws to provide assistance for needy mothers and children. The majority of the plans were optional

with the counties, however, and often were not actually in effect throughout a State. Compulsory survivors' insurance was nonexistent in this country. Some employers had offered group life insurance to their employees, usually in limited amounts. There was no organized movement, such as the Townsend Plan, to give impetus to legislation for survivors' insurance. Originally, the only provision for survivors in the Social Security Act was for lump-sum payments equivalent to 3½ percent of the taxable wages of deceased workers who had been covered by the program. In 1939, however, monthly benefits, largely replacing the lump-sum payments, were established for surviving widows, children, and in some circumstances aged parents. This step followed recommendations of the Advisory Council appointed by the Social Security Board and the Senate in 1937.

The almost immediate and universal acceptance of old-age and survivors insurance undoubtedly reflects the fact that it met a widely felt need. The proportionate number of aged persons in the population has been increasing rapidly. The plight of old people became particularly difficult in the years of depression and drought, when they and members of their families found it increasingly hard to get or keep jobs and savings were used up. Though enactment of survivors' insurance attracted less attention, it also had been accepted wholeheartedly by American workers, who had long been educated by private insurance companies in the desirability of life insurance but, for the most part, had struggled futilely to provide adequate protection for their families. At the tenth anniversary of the Social Security Act, therefore, old-age and survivors insurance is well established in the thinking of Americans as a bulwark against insecurity arising from old age and death of the family breadwinner.

Experience in Old-Age and Survivors Insurance

When the Social Security Board was organized in 1935, it faced a stupendous task in getting under way the "old-age benefit program," as it was then called. It was first necessary to set up a system for recording the wages of an estimated 26 million workers. Many skeptics declared that so

huge a task might bog down of its own weight. How could the thousands of John Smiths be kept distinct? How could earnings be recorded accurately for millions of workers scattered through the country? To identify the many John Smiths and others bearing the same name, plans were made to assign an account number to each worker covered by the program and to carry out a mass registration of workers to be covered. This was successfully accomplished in November and December 1936.

It was soon found, however, that there was an enormous movement of workers in and out of covered employment, so that 6 or 7 million new workers applied for account numbers each year. To date, more than 80 million account numbers have been assigned; with allowance for duplicate numbers and deaths, about 74 million persons in the United States now hold account numbers. Yet the file of these numbers is so organized that, given a worker's name and date of birth, it is possible to locate his number in a minute or less.

An individual ledger sheet has been set up for each worker. Through the use of electrical accounting machinery, the wages reported for each are posted quickly and accurately. Constant vigilance has been exercised to obtain complete and accurate reporting. As a result, out of \$274.1 billion reported in wages from 1937 through 1943, only \$1.5 billion or about one-half of 1 percent has not been posted to an identified account; as claims are filed, moreover, many of these unposted items are identified and credited to the proper worker. Success in this accounting is due in large part to the cooperation of the more than 2 million reporting employers.

A large factor in the successful operation of the program has been the Board's policy to decentralize administration so far as that is practicable. The possibility of decentralizing wage recordkeeping into 12 regional offices was thoroughly explored but was found impractical because of the large migration of workers from one part of the country to another and the large proportion of workers who were reported by the central office of Nation-wide concerns. A network of more than 400 field offices and several times that number of itinerant stations has been set up, however, to

give local service to workers and their employers. From these offices, account numbers are issued to workers, contacts are made with employers to inform them of their duties under the act and to clear up deficiencies in their reports, claims for benefits are taken and adjudicated, and information on the act is given to the public. After payment of monthly benefits commenced, five area offices were set up to keep records of beneficiaries, settle difficult claims questions, and expedite certification of benefit payments to Treasury offices.

Thus the economy of a Nation-wide operation with respect to record-keeping has been combined with localized service to workers, employers, and the public. The cost of keeping a worker's wage record averages about 17 cents a year, and the annual cost of all administrative operations both by the Treasury and the Social Security Board is only 2.0 percent of the taxes collected. The relative cost of all operations involved in taking claims and paying benefits is somewhat higher but in 1945 represented only 4.7 percent of the amount paid in benefits. This percentage will decline as the benefit rolls increase.

Another hurdle was the test of the constitutionality of the program in the courts. An 8-to-1 decision of the Supreme Court upholding the Social Security Act cleared that barrier. In giving the opinion of the court, Justice Cardozo declared:

"Needs that were narrow or parochial a century ago may be interwoven in our day with the well-being of the nation. What is critical or urgent changes with the times . . . Congress did not improvise a judgment when it found that the award of old age benefits would be conducive to the general welfare . . . The number of persons in the United States 65 years of age or over is increasing proportionately as well as absolutely. What is even more important the number of such persons unable to take care of themselves is growing at a threatening pace. . . The problem is plainly national in area and dimensions."

Public interest and controversy then turned to another aspect of the program. The 1935 provisions were based on the estimate that by 1980 the cost of old-age benefits would represent between 9 and 10 percent of pay roll. Following private insurance practice, reserves to help finance

this eventual cost were to be built up out of the current contributions of workers and employers. It was estimated that the scheduled tax rates, which were to rise from an initial 1 percent of wages each for worker and employer to 3 percent each in 1949, would build up a reserve of \$47 billion by 1980. Interest on such a reserve, equal to from 3 to 4 percent of taxable wages, added to the 6 percent in payroll taxes would make the system permanently self-supporting.

The idea of so large a reserve was criticized as unnecessary in a Government program, and strong sentiment developed, particularly among employers, for placing the system on a "pay-as-you-go" basis. This became a national issue, and in 1937 the Board and the Senate Finance Committee appointed an Advisory Council of leading employers, labor leaders, economists, actuaries, and other representatives of the public to study the problem. The Advisory Council also considered the benefit provisions. Its recommendations included extension of coverage, starting payment of benefits at an earlier date, increasing the benefits to low-paid workers and all benefits in the early years, providing supplementary benefits for aged wives and young children of retired workers, and establishing benefits for the surviving widows and children of deceased workers. In financing, the Council recommended that only a contingency reserve be created to tide over depressions and other unforeseen events that might drain the fund.

The Social Security Board made similar recommendations concerning benefits and coverage but did not take a positive position concerning financing.

Following these recommendations, Congress substantially amended the program in 1939. Monthly benefits were to commence in 1940 at a more liberal rate, and benefits were added for wives and children of retired workers, and for aged widows, for widows with children under 18 in their care and for such children, and also for aged dependent parents of workers who left no widow or child. The amendments with respect to financing provided that the trustees of the old-age and survivors insurance trust fund report to Congress if in their opinion the fund would exceed three times the highest annual expenditures

within the following 5 fiscal years, and froze the tax rate at the 1-percent level until 1943. This action was interpreted by the majority in Congress as meaning that Congress should keep the reserve from exceeding more than three times the annual benefits, and Congress accordingly froze the tax rate at 1 percent again in 1943 and 1944.

A concurrent resolution was passed by the Senate early in 1945 providing for a restudy of the financing of the program by the Joint Committee on Internal Revenue. The House, however, passed a resolution of the House Ways and Means Committee appropriating \$50,000 to the Committee to use not only for a study of the financing of old-age and survivors insurance but also in a restudy of the whole program, and appointed staff to conduct this study.

The number of beneficiaries on the rolls on the tenth anniversary of the act is much less than was originally anticipated. Because of the demand for labor during the war, a large number of aged workers, estimated at three-fourths of a million, who in normal times would have retired are still employed. In a majority of cases the wives of these workers also are eligible for benefits. On the other hand, the war has resulted in a larger number of deaths—and hence of survivor claims—among younger workers than would be anticipated in ordinary times. More than offsetting these additions, over a fourth of the entitled widows and a large number of surviving children are working instead of drawing benefits.

A major factor limiting the number of beneficiaries has been the restriction of the coverage of the act. Experience has shown that a very large number of persons divide their employment between jobs covered by the act and jobs in agriculture, domestic service, government service, and other noncovered pursuits. Millions of these workers are unable to get sufficient earnings in covered employment to qualify for benefits although they have made some contributions. Another factor which makes it impossible for some aged workers to qualify has been their disablement in their early sixties. Nor are disability benefits provided for such workers or for others who become disabled at earlier ages.

In revising the benefit schedule in 1939, a leading purpose was to pay higher benefits in the early years as well as benefits representing a higher proportion of the earnings of low-paid workers. Average payments in 1940 were about what was anticipated, with an average payment of \$22.60 a month for retired workers. However, though higher wages have caused some increase in benefit amounts during the war, so that the average benefit was \$23.81 for retired workers in March 1945,¹ the cost of living has advanced much more rapidly. Old-age assistance payments, which are much more flexible, have increased from an average of \$23 in 1940 to about \$29 in the spring of 1945, reflecting both the adjustment of payments to the higher cost of living and the increase in available State funds because of wartime prosperity.

Payments to insurance beneficiaries and assistance recipients, however, are not strictly comparable since insurance benefits are paid without regard to other resources of the beneficiaries. Field surveys have shown that the majority of old-age and survivors insurance beneficiaries have accumulated other savings, own their homes, or have other income. Only about 1 beneficiary in 10 has had to seek public assistance to supplement benefits. However, the increased cost of living is pinching most beneficiaries, particularly those with no other resources, who also have the lowest benefits in most cases. Some increase in benefit amounts therefore is necessary. Other liberalizations, such as lowering to 60 the age requirement for aged women beneficiaries, are desirable.

Actual administration of the law has also brought to light some anomalies and inequities in the provisions of the act which have caused irritation and disappointment among many beneficiaries. Although there must always be specific requirements that work out arbitrarily in some individual cases, the Social Security Board has proposed technical changes which would obviate most of these unsatisfactory situations. On the

¹ Rise in wage rates does not, of course, affect the amounts paid to workers already receiving benefits. But even new benefit claims awarded in the first 3 months of 1945 averaged only \$24.76.

whole, however, the law has proved to have been soundly framed, and no basic changes in its structure appear to be necessary.

Old-Age and Survivors Insurance— A Going Concern

Despite its present limitations, old-age and survivors insurance is already doing a substantial job. At the end of June there were about 1.3 million monthly benefits in force. These included 520,000 wage earners aged 65 or over, 170,000 of their wives and children, and about 595,000 survivors—orphans, widows, and parents of insured wage earners.

Of those entitled to benefits, about 1.1 million were in actual receipt of monthly benefits. The benefits of 74,000 aged wage earners, 17,000 wives of such workers, 20,000 children, and more than 26,000 widows were suspended because these beneficiaries were working in covered jobs. In addition to the persons who had filed benefit claims, about 750,000 aged wage earners were fully insured and therefore eligible to receive retirement benefits but had not filed for them, presumably because they were still working. About one-half of these had wives who also had reached age 65 and were therefore eligible.

Because of the newness of the program, the number now eligible for retirement benefits is small in comparison with what it will be, say half a century from now. By that time, a large proportion of the wage earners now under age 65 will have had an opportunity to qualify for these benefits. By the middle of 1945, some 70 million living persons under age 65 had acquired some wage credits toward ultimate retirement benefits.

The life insurance protection afforded by the program is also very significant. Almost \$400 million has been paid out in lump-sum death payments or monthly survivor benefits. Some 40 million wage earners are now insured; that is, some form of survivor benefits would be payable on the death of any one of them. The total amount of potential insurance protection for these 40 million workers and their families represents more than the equivalent of \$50 billion of term life insurance. This protection is of great psychological as well as economic value to the workers of the country.

Even if we look forward only another 15 years, old-age and survivors insurance beneficiaries will have increased to 5 or 6 million. If coverage is extended to all gainful workers and benefits are also provided for extended disability, from 12 to 16 million persons would be receiving benefits by 1960.

On the basis of its experience in the successful operation of the program and study of needs the system is designed to meet, the Board has recommended to Congress that coverage be extended to all gainful workers and to the risk of protracted disability. It is both necessary and administratively

feasible, the Board has reported, to include agricultural and domestic employees, self-employed persons, and others originally excluded because of possible administrative difficulties in the initial years of operation. Successful experience in the administration of old-age and survivors insurance benefits also justifies confidence on the part of the Board that it can successfully administer extended disability benefits. Only by such extension and expansion can the program meet the needs of American families for protection against the long-term hazards of old age, disability, and death.

Unemployment Compensation

THE UNITED STATES faces the period of postwar readjustment far better prepared to handle the problems of unemployment than at the end of World War I, though it has mobilized three times as large an army, raised production to four times what it was at that time, and devoted a far greater proportion of its capacity to the war.

Then study of the problems of demobilization of servicemen was not begun until a month before the end of the war, and no systematic program was adopted to aid in the transition to peace. This time the Servicemen's Readjustment Act of 1944 was passed almost a year before V-E day. Laws are already on the statute books to provide machinery for facilitating contract termination, plant clearance, and the disposition of surplus property, and for financial aids to business and farmers. Moreover, unemployment compensation gives a means of assuring workers that, if they are laid off and no suitable jobs are available to them, they will have a measure of support during their search for work.

Last year, approximately 44 million workers earned wages in employment covered by State unemployment compensation laws, and about 36 million earned enough to qualify for benefits should they become unemployed. No such system was available to the industrial worker after the last war or during the 1920's and most of the 1930's. Then the only resort of the unemployed worker was to use up any savings he might have accumulated and find his way to local relief, or to accept privation.

Although Wisconsin enacted an unemployment insurance law in 1932, no other State passed such a law until Federal action in this field became certain. The Social Security Act performed its primary function of quickly stimulating enactment of State laws; within 2 years after its passage, all 51 jurisdictions had unemployment compensation laws. The Federal-State program of unemployment compensation has made notable advances although much still remains to be done to achieve maximum effectiveness. While the States carry major responsibility for administering the program and for determining the coverage and benefit provisions of their laws, from the beginning the Federal Government has exercised continued support and concern with the progress of the program. Today all groups in the community agree that primary reliance should be placed upon unemployment insurance when workers are temporarily unemployed.

A system of unemployment compensation, properly coordinated with the employment service, provides the best available means of giving a worker access to job opportunities and, if there is no suitable job for him, of compensating him for his enforced unemployment. Through regular collection of contributions on behalf of employed workers, it creates a fund to pay benefits as a matter of right to those who are out of work. It aids in sustaining and enhancing human resources, in the interest not only of the

individual himself but also of employers and the community.

When 22 States began to pay unemployment compensation in January 1938, few people in this country had any knowledge of how unemployment insurance operated and still fewer had any experience in its actual administration. Only in Wisconsin had unemployment benefits actually been paid. During the last months of 1937, business had begun to decline and unemployment to spread. On the average, almost one-fifth of the labor force was unemployed in 1938, and expenditures for public aid totaled more than \$3 billion. The States were faced not only with the difficulty of inaugurating a new and untried program but also with an unexpectedly heavy initial claims load. The general record of performance in those first days is one of which the American people can be proud.

Except for this downswing in the fall and winter of 1937-38, employment has been generally upward since the State programs began operation. During 1939 the number of unemployed decreased by more than a million. With the beginning of the defense program in 1940, unemployment began to dwindle and disappear, declining from 8.4 million in July 1940 to an average of 840,000 in 1944, well below what had been considered the irreducible minimum. At the same time, employment rose to unprecedented heights. By July 1940 more than 37 million people were in non-agricultural jobs; by 1944 nearly 44 million, on the average. Instead of unemployment, the country faced labor shortages and called for more and more workers.

These changes are reflected in experience under the program. Average employment in covered industries increased from 23 million in 1940 to 30 million in 1944, and the number of workers who earned wage credits at some time during the year rose from about 32 million in 1940 to 44 million in 1944. The rise in covered pay rolls reflects lengthening of the workweek, overtime, bonus and incentive pay, and shifts of workers to more highly skilled jobs and industries. Total covered wages more than doubled, rising from \$32 billion in 1940 to \$69 billion in 1944.

Despite the decrease in the over-all tax rate caused by experience rating, contributions rose from \$854 million

in 1940 to \$1.3 billion in 1944. The decline in unemployment brought drastic cuts in benefit expenditures from a high of \$519 million in 1940, when for the first time all States paid benefits throughout the year, to a low of \$62 million in 1944. Because of the impact of the two opposing forces, funds available for benefits rose steadily and by the end of June 1945 totaled nearly \$7 billion.

During even these years, however, unemployment compensation was performing a valuable function. In 1938, when unemployment had risen more than 2.5 million above the 1937 average, almost \$400 million was paid out in benefits in the 31 States that were fully operating during some part of the year. These benefits went a long way toward aiding the individuals and communities in weathering this short but difficult period. In the early months of 1942, when the country began serious conversion to war production, the system stood ready to compensate the workers who were out of work during the change-over. Then the unemployment rolls were swollen with the most highly skilled workers of the country. The program performed the valuable task of preventing the scattering of the Nation's skilled labor force and enabled workers to stand by until their plants could be geared to war production.

During the war also, unemployment compensation has kept the labor supply from being dispersed when shortages of raw materials and changes in methods of production have caused dislocations and temporary unemployment. Skilled workers, separated from their jobs, found immediate reemployment; for the most part, they did not even apply for benefits. Of those who filed initial claims in 1943, nearly half were reemployed or disqualified before receiving any benefits. The beneficiary rolls have been made up largely of marginal workers—handicapped and older people, women, and other new entrants into the labor market.

Now, as the country faces the reconversion of industry to peacetime pursuits, the program will meet its first real test. By December 1944, employment in covered industries had declined from a peak of 31.3 million in June 1943 to 29.3 million. Claims loads are increasing. While the claimant population includes a large

number of emergency workers, for the most part it is made up of the highly skilled workers in the country, the workers who have shared in the outstanding war-production job and are temporarily unemployed until they can get peacetime work. It is up to the program to demonstrate the extent to which it is able to direct workers into jobs and maintain their skills and the extent to which the community can rely on unemployment compensation as the major first line of defense against unemployment.

Coverage

Although it was to be expected that the States would attempt to cover only employers subject to the taxing provisions of the Federal act, even in the early days a significant number extended coverage beyond those limits. By the end of 1937, 22 States, with almost 50 percent of the covered population of the country, had made employers of fewer than 8 workers subject to their laws, and 10 of these, with 13 percent of the covered population, were covering employers of 1 or more. Some progress has been made since then. By the middle of 1945, 29 States, with two-thirds of the covered population, covered employers of less than 8 workers; 16 of these States, with 29 percent of the covered population, covered employers of 1 or more.

No action has been taken by Congress to extend coverage beyond the limits of the original Social Security Act. Employees of firms of less than 8, government employees, maritime workers, domestic workers, agricultural labor, and employees of non-profit institutions are still excluded from the Federal act, and by and large, except for employees of small firms and certain types of maritime employees in some States, from the State laws.

Benefits

At the end of 1937, all the States provided a waiting period of 2 weeks or more in a benefit year; 4 years later, 19 States required only a 1-week waiting period within a benefit year, and 10 additional States had enacted similar legislation by the end of 1944. By the middle of 1945, 35 States required a waiting period of only 1 week in a benefit year, and 1 State, following the precedent of the G. I. Bill of Rights, had no waiting period.

Improvement in other benefit pro-

visions, although substantial, has come slowly. The greatest advances have been made during the 1945 State legislative sessions, following congressional recommendations to the States to increase duration of benefits and the maximum weekly benefit, that is, the maximum weekly amount that can be paid to any insured worker no matter how high his previous earnings. Similar recommendations had been made by the Social Security Board and by organizations such as the Council of State Governments, the Committee on Economic Development, and the national labor organizations. At the end of 1937, 49 States, including almost 95 percent of the covered population had a maximum benefit of \$15 per week, 1 State had \$16, and 1 State, \$18. Four years later, at the end of 1941, only 30 States, with 50 percent of the covered population, had a maximum as low as \$15, while at the end of 1944 22 States, with 20 percent of the covered population, paid no more than \$15.

During this period, however, average weekly wages in covered industries rose sharply, from \$25.28 in 1938 to \$41.26 in 1943 and \$44.29 in 1944. Although the average weekly benefit for total unemployment increased from \$10.94 in 1938 to \$15.90 in 1944, it lagged far behind the increase in wages because existing maximum provisions curtailed the amounts of many or most beneficiaries. While the State laws are designed to replace about half the wages lost by an unemployed worker, the effect of the maximum was to reduce benefits of many workers to a third or less of what they had been getting in covered jobs. In 1944 almost 60 percent of the payments—and in 3 States, more than 90 percent—were at the maximum.

During 1945, however, 26 State legislatures raised the maximum weekly benefit amount. Now 41 State laws pay more than \$15 a week to workers whose wage credits qualify them for the maximum. Six States, with 10 percent of the insured covered population, have a maximum rate of \$24–28, including allowances for dependents. Among the 9 States with a covered population of a million or more, only Texas has a maximum below \$20. In the early days, only the District of Columbia made provision for dependents' allowances, but during the 1945

legislative sessions 3 additional States (Connecticut, Michigan, and Nevada) have adopted such provisions.

Lengthening the duration of benefits has also come slowly, with the most substantial advance during the present legislative sessions. At the end of 1937, only 12 percent of the covered population was in the 6 States in which the maximum potential duration of benefits exceeded 16 weeks. By the end of 1940, only 9 States, with 19 percent of the covered population, had maximum duration of more than 16 weeks. The 1941 and 1943 legislative sessions, however, made substantial gains. By the end of 1944, maximum duration of more than 16 weeks had been provided by 23 States, with 65 percent of the insured population. As a result of action by the 1945 State legislatures, 37 States, covering almost 90 percent of the insured population, now have a maximum duration of more than 16 weeks.

In 1937 no eligible worker could receive more than 20 weeks of benefits, and by 1944 only 2 States provided maximum duration of more than 20 weeks. Today, as a result of amendments passed during the last legislative sessions, 51 percent of the covered workers are in the 11 States providing maximum duration of between 21 and 26 weeks. Despite these advances, however, in 19 States, with 19 percent of the covered population, no worker can receive benefits for as much as 20 weeks. Only 5 States, with 28 percent of the covered population, pay benefits for as long as 26 weeks to qualified workers who cannot get jobs.

Since 1941 there has been no substantial progress in making the potential duration of benefits uniform for all eligible workers in a State. In 1937, only 1 State included provision for uniform duration of benefits; by 1941 there were 13 States. Today only 14 States have such provisions. Uniform duration of benefits is simpler for the worker to understand and the State agency to administer than a provision relating potential duration to a worker's past earnings or employment. It also has the advantage of treating all eligible workers within the State alike, thereby clearly outlining the task to be performed by the unemployment compensation program.

As duration of benefits provided in

the laws has increased and unemployed workers have had greater opportunity to get jobs, the relative number of workers who exhaust their benefit rights has decreased rapidly. The fears of some early critics that unemployment insurance would destroy the incentive to work and create an army of unemployable persons have been disproved. The rise in employment during the war years and the decline in the claims and benefit loads, even when benefit rates were being raised and duration lengthened, bear ample testimony to the fact that workers prefer jobs to benefits and take jobs when they can get them.

Disqualifications

With a better benefit structure than existed in 1939, the program is in a stronger position to handle unemployment problems that may develop in the postwar period except for the disqualification provisions in 26 State laws which cancel or reduce a worker's benefit rights. Provisions to disqualify a worker who quits voluntarily without good cause, who loses his job for misconduct, or who refuses suitable work are essential to assure that only involuntary unemployment is compensable. In the early days these disqualifications ordinarily took the form of postponing benefit payments for a reasonable period following the disqualifying act, on the assumption that the unemployment immediately following that act was not compensable but that later unemployment was compensable because it was due to labor-market conditions and the inability of the worker to get a suitable job.

The theory of postponing benefits is based on the assumption that most individuals in the labor market want jobs, not benefits; that as long as benefits, no matter how high, are less than wages, workers will prefer jobs to benefits; that even among workers who quit their jobs for no good reason, most will need and want work after a period of time. Therefore, benefits should not be denied if, after the disqualification period is over, a worker is available for work but remains unemployed because no suitable job is open to him.

Even in 1937, however, 7 State laws included disqualification provisions which, in addition to postponing benefits after a disqualifying act, reduced

an individual's benefit rights or canceled his wage credits. Such penalty concepts arose from a distorted theory of unemployment compensation, which assumed that the individual should not only not be compensated for the unemployment following his disqualifying act, but should also be penalized by denial of future benefits even when his continued unemployment obviously was not his own fault.

This concept grew out of the philosophy of experience rating, which assumes that the employer is responsible for unemployment; consequently, employers felt that their accounts should not be charged with unemployment for which they could not be held directly responsible. Such a view underlies the provision in many laws which limits good cause for quitting work to cause attributable to the job or the employer. A worker who may have had a compelling personal reason to leave a job, such as sickness, may be disqualified from receiving benefits if he is unemployed when again available for work unless it can be shown that his leaving was attributable to the job or the employer. The war economy also fostered the development of penalty provisions because labor shortages stimulated a desire to penalize workers who left their jobs.

During 1939-41 the number of States with penalty provisions more than tripled. By the end of 1944, 28 State laws contained provisions canceling or reducing benefit rights for one or more disqualifying acts. Although 2 States abandoned such provisions for all disqualifying acts during the 1945 State legislative sessions and no additional State adopted such provisions, those still incorporated in the statutes of more than half the States may become an increasing source of irritation, lack of public understanding, and dispute.

Even if a high level of employment is maintained, millions of individuals will lose their wartime jobs and will have to seek other work. Although unemployment benefits should be available to them if they are able and available for work and do not refuse suitable work, many workers who lose jobs will find their benefit rights less than they expected because they were canceled or reduced by a past disqualifying act. In the fourth quarter of 1944, nearly one-fourth of the disqualifications imposed involved re-

duction of benefit rights. While the figure is small in comparison with the number of potentially eligible workers in the future, it is large enough to cause concern. Only elimination of these provisions can keep them from working real hardship.

Financing

In framing the taxing provisions of the Social Security Act and the State unemployment compensation laws, no one contemplated that the first decade would record an accumulation of a fund of almost \$7 billion. The prevailing opinion was rather that the program was underfinanced and that contribution rates could not be reduced below 3 percent and benefit rates and duration increased substantially without endangering the solvency of the State funds. Early experience tended somewhat to confirm this opinion; in 1938, 9 States paid out more in benefits than they received in contributions and had to draw on their initial reserve, and even in 1940 benefit payments exceeded collections in 4 States. The overcautious estimates made by the Committee on Economic Security, the illiberality of the early laws, and the booming economic activities of the war period have resulted, however, in the accumulation of funds that certainly have been more than ample for the period through which we have passed and will undoubtedly be sufficient for any foreseeable unemployment in the future, even if all States provide protection as great as that in the most liberal States.

The accumulation of reserves has had a salutary effect on the economy by withdrawing current purchasing power at a time when it could not be used to buy goods and services and thus helping to fight inflation and stabilize prices. After the war, these reserves should be ready to work to check deflation. They are an appreciable item in national savings. Not only can they be used to give individuals the security that they need during periods of unemployment, but they can also play their role as part of the liquid assets which, as the Director of War Mobilization and Conversion said in his third report, "can be a self-starter for our post-war economy, and if handled right, a 'flywheel' for years to come."

Although each State now has a fund

sufficiently large for any benefit expenditures that may occur in the foreseeable future, the States' reserves bear little or no relation to their possible future benefit expenditures. Michigan, for example, has one of the smallest funds in relation to taxable pay rolls in the State, while it will probably have one of the heaviest claims loads. The District of Columbia, on the other hand, has one of the relatively largest funds and will probably have one of the lightest claims loads. Fortunately the Federal unemployment account, established in 1944 by the so-called George Bill, (War Mobilization and Conversion Act) will provide a pool from which any State can borrow should it face insolvency. While it is doubtful that any State will need to borrow in the near future, this provision represents a first step forward in sounder financing of the program.

From the beginning the system has been financed almost exclusively by a pay-roll tax on employers which, with the operation of experience rating, has varied with the employer's experience with the risk of unemployment. Even in 1937, 40 State laws included provisions for experience rating, although the provisions became effective at later dates. In 1941, 17 States varied employer contribution rates under their experience-rating provisions; by 1944 the number had increased to 42. Only 10 State laws have ever included provisions for employee contributions, and only 4 States now have such provisions. The lack of employee contributions is probably attributable to the growth of experience rating and the rise in reserve funds available for benefit payments, which made collection of additional revenues unnecessary.

Unlike foreign unemployment insurance systems, our Federal-State program provides no direct government contribution to financing. Interest paid on State accounts in the Federal unemployment trust fund, however, has added important sums to those accounts. In 1944, interest totaled \$102 million, almost \$40 million more than the total amount paid out in benefits in that year. For all but 3 States, interest was more than sufficient to finance that year's benefit payments. Since the beginning of the program, interest has been equal to 19

percent of the total paid in benefits, with a State range from 10 percent in Michigan to about 138 percent in Hawaii.

While reserves have been increasing, the average employer contribution rate has declined. For the country as a whole, employers paid an average rate of 2.6 percent of covered pay roll in 1941; by 1944 the average rate had been reduced to 1.8 percent.¹ This figure will be reduced still further when New York employers, with 13 percent of the Nation's covered workers, receive credits on their 1945 contributions. More than half the employers in the 42 States with experience rating contributed in 1944 at less than the standard rate.

Rate reductions have not come as a result of employers' efforts to stabilize employment, but rather as the result of the general economic conditions engendered by the war. They have subjected competing employers in different States to great differences in tax burdens and have placed new employers at a competitive disadvantage with other employers in the same industry. They have come during economic prosperity at a time when over-all government policy dictated the need for higher taxes and such taxes were easiest for employers to bear. With the cessation of war production and the rise in the claims load, this situation will be reversed; experience rating will impose higher taxes on employers when it will be difficult to bear them. None of the existing experience-rating provisions provide for decreasing rates when unemployment is increasing.

The inverse relationship between contribution rates and the business cycle led 10 States in 1943 and 2 additional States in 1945 to enact temporary provisions for war-risk contributions. These provisions levied additional contributions on employers whose pay rolls had expanded greatly during the war and who therefore are likely to represent a heavy charge on the system when the war ends.

It may be that experience rating has had a salutary effect in preventing the accumulation of excess reserves.

¹ Exclusive of war-risk provisions in 10 States; inclusion of such provisions would raise the average slightly.

Under the present Federal legislation, experience rating is the only way contribution rates can be revised. But if over-all adjustment in the tax rates is needed, there should be better ways of providing it—better for the individual employer, for unemployed workers, for the economy as a whole.

Administration

Great progress has taken place in administering the program. Notable advances have been made in the selection of personnel on a merit basis, in reducing employer delinquency in contributions and wage reporting, and in the development of more effective and economical methods of operation. During recent years the employment service was primarily concerned with meeting wartime needs by mobilizing the labor supply, only a very minor portion of which was made up of the few individuals filing claims and drawing benefits. In the period ahead, close and effective relationships with the employment service will be essential to give laid-off workers access to job opportunities and to assure unemployment compensation agencies the information necessary to administer their programs adequately.

An effective job has been done in enabling workers who are eligible for benefits in one State to file claims for and receive benefits in any other State in the country. This will prove important as reconversion requires extensive moves of workers and their families. The procedure, however, is still time consuming, and delay in receiving benefits is greater for interstate workers than for others. Little advance has been made in eliminating the multiplicity of reports required of employers under old-age and survivors insurance and unemployment compensation, or in simplifying or making uniform the reports that an interstate employer must file under various State unemployment compensation laws. Much still remains to be done toward making the program simpler for a worker to understand.

Conclusion

Ten years ago, few persons in the United States had any experience with unemployment compensation. Today

the program is a going concern, deeply rooted in the life of the country. It has first place in any discussion of ways in which individuals are to obtain security against wage loss in unemployment. Significantly, the readjustment allowance program for veterans is in fact an unemployment compensation program. It is significant too that all groups in the country think first of enlarging the scope of unemployment compensation or strengthening it to meet emerging problems rather than resorting to untried and emergency methods. That fact is a better measure of the progress in this decade than are differences of opinion concerning ways to improve the program. To aid in ushering in a postwar period with a high level of employment, all this experience should be mobilized immediately to achieve extension of coverage to the large groups still excluded, more nearly adequate benefit provisions in all States, reduction in reporting burdens on employers, a program which workers can understand more easily, and more equitable methods of financing the program.

In operation, unemployment compensation has disproved fears once expressed that workers will not work if they are entitled to benefits. It has still to prove to what extent workers can rely on these benefits without resort to public aid when economic conditions are less auspicious.

Whether or not the country succeeds in maintaining a high level of employment, unemployment compensation faces difficult problems. It is the most complex of the social insurance programs to plan and administer. It will always be subject to controversy because decisions on paying or denying benefits affect mobility of labor, even the volume of unemployment, and the ability of unemployed workers to maintain their skills. Such decisions also necessarily influence wages offered and received, and relief policy. Many of these problems are receiving public attention for the first time as reconversion proceeds. Full use of the knowledge and experience that has been acquired over the past 10 years will assure that the program can measure up to meet the problems which lie immediately ahead.

Public Assistance

ONLY BY LOOKING BACK to the years before the Social Security Act became law is it possible to assess the great progress made in the past decade in providing for needy aged and blind persons and dependent children.

The public assistance titles of the Social Security Act were only part of a comprehensive legislative program enacted by Congress in 1935 to supply work, insurance protection, or assistance to persons affected by various hazards. In 1935, in addition to the Social Security Act—which provided for unemployment compensation and old-age insurance as well as for assistance to special groups—Congress established the Works Progress Administration (later called the Work Projects Administration) and the National Youth Administration to supply useful work to the needy unemployed.

In the years of deep depression from 1933 to 1935, Federal grants for general assistance were made to States through the Federal Emergency Relief Administration, which was then the major provision for people who lacked means of support. These grants were discontinued in 1935, when the Federal Government undertook to provide work for the needy unemployed and to share with the States the cost of the special types of public assistance for those who were relatively unemployable. The States and localities again assumed full responsibility for financing general assistance, which became a much smaller segment in the broad structure of social security.

As wartime demand for labor opened up opportunities to earn, the Federal work and other emergency programs instituted in the 1930's decreased in importance. By the middle of 1943, all these emergency programs had been liquidated, and in the last 2 years of the decade during which the Social Security Act has been in existence the special types of public assistance and general assistance have been the only forms of public aid under which payments have been made generally to needy persons.

Development of Special Types of Assistance

In authorizing Federal grants-in-aid to States for old-age assistance,

aid to dependent children, and aid to the blind, Congress made Federal funds available for part of the cost of the long-time expensive care for these groups which some States earlier had singled out for special consideration.

Aid to the blind was the first of the three special types of public assistance to emerge in the United States as a separate category of assistance. The first State legislation for aid to the blind was enacted in 1898, and by 1934 enabling laws had been passed in 24 States. The first legislation for mothers' aid—the forerunner of aid to dependent children—was enacted in 1911, and by 1934 laws had been passed in 48 States. Old-age assistance developed last. Alaska had enacted a law in 1915, but no other State law was passed until 1925; by 1934, laws had been passed in 30 States.

Though State enabling acts for these three programs were on the statute books in the majority of States before the Social Security Act became law, some of the programs developed under these laws were of relatively little significance in meeting need. Frequently they were not State-wide in operation, and eligibility conditions were relatively restrictive. Moreover, since appropriations were often extremely small and sometimes entirely lacking, payments were far from adequate and occasionally were discontinued. A few of the early laws were even repealed or became inoperative. The Social Security Act—building on existing foundations—afforded every State opportunity to extend and strengthen old programs or to establish new ones on a State-wide basis.

To claim matching Federal funds under the Social Security Act, States were required to prepare plans for the operation of their assistance programs under the State-Federal partnership. The act specified the conditions for approval of a State plan for old-age assistance, aid to the blind, or aid to dependent children and delegated to the Social Security Board responsibility for determining whether the plans met these requirements. The first Federal grants were made in February 1936. Organization and development of these programs has proceeded actively during the decade

since the Social Security Act became law. Since the initial plans went into operation at different times in different States, States have made many changes to adapt and improve the framework under which they administer assistance.

In June 1945, State-Federal programs of old-age assistance were in operation in all 51 States. All States were operating programs of aid to dependent children under the Social Security Act, except Alaska and Nevada, which had small programs financed without the help of the Federal Government; at the end of July, however, the Board approved Alaska's plan for aid to dependent children under the Social Security Act. All States except Alaska, Delaware, Missouri, Nevada, and Pennsylvania were administering State-Federal programs of aid to the blind in June. Delaware, however, had enacted legislation to authorize the development of a State-Federal program of aid to the blind, and Missouri, Nevada, and Pennsylvania administer aid to the blind without Federal funds.

The extent to which public assistance is available may be measured not only by the increase in the number of State programs but also by the increase in the number of counties that have programs. The Social Security Act requires that public assistance must be available in all local subdivisions if a State is to get Federal funds. Payments of both old-age assistance and aid to dependent children are now available in every county in the United States, and aid to the blind is being administered in all but the three counties in Delaware. In contrast, at the end of 1934, old-age assistance and aid to the blind were available in less than one-third of the counties in the United States, and aid to dependent children in about half of them.

One of the most notable gains under the Social Security Act has been the extension of public assistance to rural areas. Before 1935 the special types of public assistance were provided more commonly in the urban centers. Now these programs are reaching as large a proportion of the population in the rural counties as in the more urban counties. This development is in sharp contrast to general assistance, which is more readily available to needy persons in cities.

Aiding More Needy People

The influence of the Social Security Act is also evident in the growth in the number of persons who are receiving aid. In June 1945 the number of recipients of old-age assistance was seven times that a decade earlier, and the number of families receiving aid to dependent children was almost two and a half times as large. The number of persons on the aid to the blind rolls had almost doubled.

In considering these spectacular increases, it should be borne in mind that 1935 was a year of deep depression and 1945 a year of high employment and high wage levels, and that social insurance—notably the Federal old-age and survivors insurance system—had developed considerably in the interim. In June 1935, however, many persons who later qualified for a special type of public assistance were receiving general assistance under State emergency relief administrations. Nevertheless, a substantial part of the rise in the number of recipients of public assistance represents recognition of need that a decade ago would have remained unmet. The number of needy persons on the assistance rolls at a given time reflects not only prevailing social and economic conditions but also eligibility provisions, standards for determining need, and the availability of funds to meet that need.

Conditions of eligibility in the initial State plans operated under the Social Security Act were in general more liberal than those in State laws antedating the Federal act. Since 1935, as additional experience has been gained, the trend has been toward still further liberalization of eligibility conditions.

At the beginning of 1935, for example, State residence requirements were far more restrictive than they are now. Two-thirds of the States making payments of old-age assistance in 1935 required, as a condition of eligibility, 15 or more years of State residence, and many States also required a specified period of county residence. Now no approved plan may require State residence of more than 5 years in the preceding 9, with 1 year prior to application, and county residence requirements may no longer be imposed. Some States now require as little as a year's residence to qualify for old-age assist-

ance, and 1 State has no residence requirement.

For aid to dependent children, half the States required in 1934 from 1 to 5 years of residence in the State, and more than two-thirds also required a specified period of county residence. Now a State plan may not impose a State residence requirement of more than a year, and a requirement of county residence is prohibited. Three States have no residence requirement.

Half the States with programs of old-age assistance in 1935 required that a needy individual, to be eligible for assistance, must have attained the age of 70. Though the Social Security Act authorized Federal participation in payments to needy individuals at age 65, it permitted States to require, until 1940, a minimum age of 70 years. Most of the States, however, did not wait until 1940 to aid persons aged 65-69 years. Colorado goes beyond the Federal matching limit and grants State aid in certain circumstances to persons 60-64 years of age.

Before 1935, most States limited mothers' aid to children under age 16, and in some States the limits were even lower. The Social Security Act originally made Federal matching available in payments for children up to age 16. The 1939 amendments, however, extended matching to children aged 16 and 17 if they were attending school. Now more than three-fourths of the States are aiding children up to age 18, some without requiring school attendance for children 16 and 17 years of age. Only 1 State has a maximum age limit of less than 16 years.

The mothers'-aid programs antedating the act placed primary emphasis on the care of children of widowed mothers, although in many States children whose fathers were incapacitated or were imprisoned, divorced, or separated from their families for other reasons also were eligible. The Social Security Act authorizes Federal matching in assistance to children deprived of parental support or care by the death, incapacity, or continued absence of either parent if the children are living with a parent or with other close relatives. Today all States aid children if one or both parents are absent or incapacitated as well as those whose fathers or mothers are dead. Only two-fifths of the children

on the rolls in 1942 were full or half orphans. Over the past 10 years the States have progressively broadened their definitions of continued absence from home and incapacity and thus have been able to aid many more children in homes broken by causes other than death and in families in which a parent is disabled.

Among the most far-reaching changes in conditions of eligibility during the decade are those in the definition of need, which is the basic eligibility provision required by the Social Security Act for all three types of public assistance. The act places upon the States responsibility for defining need. Over the years, progressive liberalizations have been made in the content of living recognized as necessary for recipients of assistance. Fuller recognition has been given both to the range and to the quality and quantity of goods and services that make up this content, and allowance has been made also for changing price levels. Policies regarding the treatment of resources likewise have become more realistic and more liberal. The amount of real and personal property that a person may own and still be considered needy has been increased.

More States than formerly protect real property occupied as a home from recoveries during the lifetime of the recipient and often also that of his spouse. In determining the amount of the assistance payment, States are expected to consider all appreciable income actually available to the individual. In some States, income from relatives has been assumed to be available when in fact it was not. At present, more States count as income only the contributions actually received from relatives. Moreover, States have less rigid attitudes toward the responsibility of relatives to contribute to the support of needy persons.

The trend in the past 10 years has been in the direction of minimizing eligibility conditions other than need. Legislatures and administrative agencies have realized increasingly that limits on eligibility are frequently drawn arbitrarily and result inevitably in excluding needy persons whose wants are no less acute than those of persons who meet the established conditions of eligibility. Moreover, there

has been much concern—particularly in the war years—over the amount of staff effort required to establish each point of eligibility. This has led to a strong belief among many persons that such effort might better be directed toward providing other necessary welfare services.

Raising Levels of Assistance

Under the stimulus of Federal grants for public assistance, marked progress has been made in making payments more nearly commensurate with need. Through June 1945 such grants had aggregated \$2.8 billion—\$2.3 billion for old-age assistance, \$429 million for aid to dependent children, and \$66 million for aid to the blind. Still greater amounts had been provided by the States since, in addition to the funds matched by the Federal Government, many have provided additional amounts in individual payments or other forms of assistance for which Federal matching is not authorized. The record of progress in meeting need widely and more nearly adequately among these groups of the population is due not only to the establishment of the Federal grants but also to increased support of these programs on the part of the States and their localities.

The rise in total expenditures reflects expanded coverage as well as higher assistance standards. In June 1945 the monthly expenditure for old-age assistance payments was more than 10 times that in June 1935; expenditures for both aid to dependent children and aid to the blind had almost trebled. The average old-age assistance payment was \$18 in June 1935 and \$29 a decade later. Average payments for aid to dependent children rose from \$32 to \$47 a month for a family, which on the average included 2.5 children. For aid to the blind the rise in the average payment was from \$20 to \$30. Most of the increase in average payments has occurred during the war years, when the cost of living also has been moving upward. Maximum limits on individual payments, however, have prevented many States from increasing all payments by amounts commensurate with the rise in living costs.

The Social Security Act leaves to each State responsibility for determining how much assistance it will give to needy people. In establishing their

standards for assistance, however, the States have been strongly influenced by the provisions in the Federal act which define the limits of Federal participation in individual monthly payments. Originally the Social Security Act authorized the Federal Government to pay half the amount of a monthly assistance payment to an aged or blind individual up to as much as \$30 a month. For aid to dependent children, the Federal share was one-third of the payment up to a maximum of \$18 a month for one child in a family and an additional \$12 for each eligible child beyond the first. In 1939, the Federal matching maximums for old-age assistance and aid to the blind were raised from \$30 to \$40; the matching maximums for aid to dependent children remain unchanged, though the Federal share was increased from one-third to half.

Although the maximums in the Federal act were intended merely to limit the amount the Federal Government would share, most States, in their initial plans, adopted them as the maximum amounts recipients could receive. Experience has shown, however, that needy aged and blind persons often need more than the amount which the Federal Government shares on a 50-50 basis. Families with dependent children almost always require more than can be provided under \$18/12 limits. One of the most heartening developments of the past 10 years has been the progressive liberalizations of State maximums on payments. By July 1, 1945, 25 States had no maximums in aid to dependent children, and 8 States set maximums above the \$18/12 limits. In 26 States more than \$40 a month could be paid in old-age assistance, and in 21 States aid to the blind could exceed \$40. Some of these States paid more than \$40 only when the individual needed medical care. In addition, some States provide medical care through special medical programs or from general assistance funds.

Substantial—though insufficient—progress has been made in the past 10 years in improving practices for determining the amounts of payments. Standards for determining what the needy individual requires and policies for evaluating his resources have become more objective. Though headway has been made in this important aspect of operation, legislators and administrators gener-

ally recognize that simpler and more objective procedures for determining an individual's need and the amount of his payment must be developed in the years ahead.

Improving Administration

Progress since 1935 has been made not only in establishing public assistance on a Nation-wide scale and in liberalizing eligibility conditions and standards and levels of assistance, but also in raising the quality of administration and service. The Federal Government shares costs of administration as well as assistance payments.

Potent in improving administration are the provisions in State public welfare laws that lodge with State departments of public welfare the power to make rules and regulations binding on the localities and the provision in the Social Security Act for the development of the State plan. The act requires that a single State agency shall be established to administer or to supervise the administration of the plan and that such methods of administration shall be adopted as will assure its "proper and efficient" operation. An amendment in 1939 added the further requirement that after January 1, 1940, the States should establish and maintain personnel standards on a merit basis.

As a part of their plans of operation, States have developed materials on organization, policies, and procedures and have compiled manuals of instructions for their local agencies. State agencies have recognized increasingly that policy making plays a vital, continuing role in program development and administrative operation. They have become acutely aware that responsible, accountable administration is possible only if these policies are incorporated in manuals available to local staff so that practice may be in conformity with State policy. The level of performance of personnel has been raised not only by the merit provisions but by constructive programs of staff development and by opportunities for staff to take leave to obtain further education that will equip them to do a better job.

A further improvement in the administration of assistance, which has greatly benefited the individual receiving assistance, stems from the pro-

vision in the Federal act which specifies that assistance shall be in the form of money payments. Two requirements for approval of the State plan—those relating to the provision of fair hearings for applicants and recipients who are dissatisfied with the agency's action in the case and to the confidentiality of records—have also contributed to the self-respect and dignity of the needy individual and improved his status in the community.

The Social Security Board has interpreted the money-payment provision to mean that no restrictions may be placed by the agency on the individual's use of his assistance payment. The unrestricted money payment is an affirmation that the recipient of assistance has the same personal rights and responsibilities as other members of the community to determine what use of his money will best serve his and his family's needs. It is recognition also that the needy individual has capacity for handling his own affairs. Though cash payments were common under the public assistance programs antedating the Social Security Act, such payments often were made with the stipulation that the money be used for particular purposes. The unrestricted money payment epitomizes modern concepts of assistance as a right and stands in sharp contrast to the granting of assistance in kind or in the form of orders on vendors, a practice stemming from concepts underlying the old poor laws and still followed by general assistance agencies in many communities.

Relatively few of the early State public assistance laws gave a needy individual an explicit right to appeal a decision of the assistance agency. Recourse to the courts was, of course, possible. In practice, some local public assistance agencies—mostly in the large cities and the more industrial counties—afforded opportunity for a hearing before an authority they appointed. Now any applicant or recipient who disagrees with a decision of the local agency regarding his eligibility for public assistance or the amount of his payment may challenge that decision by requesting a fair hearing before the State agency. He is thus protected from arbitrary or discriminatory action. Wide differences exist in the

extent to which individuals are exercising the right and in its acceptance by administrative personnel and the community. Fuller implementation of the right to a fair hearing should be one of the goals of the next decade.

The 1939 amendments to the Social Security Act made it mandatory on the States to safeguard information about applicants and recipients against uses not directly connected with the administration of public assistance. This provision protects the individual from disclosure of information the agency must have to establish his eligibility for assistance and determine the amount of his payment. In sharp contrast is the practice still prevailing in some communities in which the county or town publishes the names of persons getting general assistance and indicates how much they have received, a humiliating custom which undermines self-respect. Recognition of the inherent right of the needy individual to privacy in his relationship to the public assistance agency represents an important advance in social policy.

The past decade has seen growing emphasis on the concept of assistance as a right. In administration, practice has shifted from "investigation" of the needy individual to the more positive role of helping him assemble and present the facts regarding his need. Good practice dictates that the individual shall be a responsible participant in establishing his right to help and the amount to which he is entitled.

Under the State-Federal partnership the status of public assistance as a function of government has been greatly enhanced. The assurance of Federal funds has given greater stability to appropriations by State and local governments, although in many States they are still far from adequate. Offices of State and local public assistance agencies are emerging from the dark basements of government buildings and now are as adequate as those of other departments of government. Representatives of public assistance agencies have taken their place on planning commissions beside representatives of departments of health, education, and public works. Increasingly, other organizations have turned to public assistance agencies for service.

During the war public assistance agencies have been performing special services, such as dependency investigations and medical surveys for Selective Service Boards and administration, on behalf of the Federal Government, of civilian war assistance and assistance and services to enemy aliens and others affected by restrictive governmental action. Until 1943 assistance agencies also provided a large amount of service to the Work Projects Administration in making investigations for referrals to that agency and were responsible for certifying individuals to participate in the food stamp plan of the Department of Agriculture.

Numerous other welfare programs cluster about the special types of public assistance. Though, in the more populous counties, public welfare agencies have had a long tradition of community service and have been supplemented by private social services, in the rural areas—where nearly half the Nation's population resides—the public assistance agency often is the only welfare agency. Thus the emergence of the public assistance agency as the nucleus of a broader public welfare program is a development of particular significance in rural areas.

Next Steps

Though the gains of the last decade in meeting the needs of old people, blind persons, and dependent children are impressive, progress has been uneven. To some extent lack of progress may be attributed to legislative and administrative restrictions in State programs. The financing arrangements under which the programs operate have been a major impediment, especially in the low-income States.

The amount of the Federal grant to a State is fixed by the amount provided by the State, or the State and its localities. States with relatively small resources—ordinarily the States where need is greatest—cannot carry half the cost of an adequate assistance program. A similar situation arises when each locality within a State must contribute a fixed and uniform percentage of the amount of assistance it administers. As a result, the amount a needy person receives often depends on where he happens to live and not on what he needs. If standards of assistance are to be equitable and more nearly adequate

in all States, special Federal aid for public assistance should be provided on an objective basis to States with low economic and fiscal capacity. Similarly, Federal and State funds should be apportioned among localities within States in relation to their needs and, where the localities participate in financing, also in relation to their fiscal ability.

The present structure of public aid suffers from two other major weaknesses—lack of Federal participation in general assistance and practical limitations on the use of Federal funds to provide medical care.

General assistance varies far more widely among and within States than the special types of public assistance and is wholly lacking in areas in several States. Needy individuals who are ineligible for the special types of public assistance or for social insurance benefits, or whose assistance or insurance payments fall short of meeting their needs, may receive general assistance in some States and localities but not in others. Federal participation in general assistance would contribute to the development of a flexible and comprehensive program of general assistance, an indispensable element in the social security program.

Federal matching of medical expenses of recipients of the special types of public assistance, under the present provisions of the Social Security Act, may be obtained only if such costs are included in the amount of the assistance payment. Such use of Federal funds in providing medical care is greatly limited by the nature of medical needs—which are usually irregular, unpredictable, and extremely costly—by inadequacy of funds for public assistance and limitations on the amounts of assistance payments, and by observance of the principle of unrestricted money payments. The Social Security Board has recommended that use of Federal funds be authorized to share costs of medical care given to persons on the assistance rolls under agreements between the State assistance agency and hospitals, medical practitioners, and health agencies.

In the future, much of the need now met through public assistance will be obviated by the development of social insurance. At least during the next decade, however, and perhaps for the next generation, public assistance will

continue to be a major segment of the social security program in the United States. Just as the first 10 years of public assistance under the Social Security Act have been characterized by dynamic and progressive change, so

it may be hoped that in the future legislators and administrators will take the action required to improve and adapt the public assistance programs to meet existing need effectively.

Developments in Other Countries

THE DECADE that has passed since the Social Security Act was adopted in the United States saw a rapid expansion of social security measures throughout the world. When the act was under consideration by Congress in the spring of 1935, Great Britain and almost every country of Europe had one or more social insurance programs providing protection against the risks of old age, death, invalidity, sickness, or—less frequently—unemployment. Outside the European area the most comprehensive nation-wide social insurance system was that established by Chile in 1924, with effective health and invalidity insurance for all manual workers—including agricultural and domestic workers—and retirement funds covering all white-collar groups. Uruguay had extended old-age, invalidity, and survivors' insurance to industry and commerce. Japan had compulsory health insurance for a substantial number of persons employed in large establishments. A number of non-European countries, particularly the British nations, had noncontributory old-age and invalid pensions, while work or relief programs were widely used as emergency measures for the unemployed. In general, however, except in Europe, the need for permanent and broad social insurance programs had not yet been extensively recognized in legislation.

In the 10 years since 1935, important social security laws have been adopted in almost every country in the Western Hemisphere, in New Zealand and Australia, and also in Europe. The most important of these are summarized below.

European Developments

In Europe as in Great Britain the world saw in 1935 the example of well-established social insurance systems emerging successfully from an economic depression whose effects they had helped to mitigate. In spite of war and the threat of war which over-

shadowed most of the decade, there was some expansion in the years following 1935. Norway introduced national old-age pensions by law of 1936 and adopted a national unemployment insurance act in 1938. The Constitution of the U. S. S. R., adopted in 1936, affirmed the right of the citizen to social security, and Russia has substantially enlarged its social security coverage and expenditure since that time. In July 1944, striking increases were made in Russia's former family allowance law of 1936, and benefits became payable on behalf of the third and succeeding children. Finland enacted legislation in 1937 for compulsory old-age and invalidity insurance to cover all residents of the country. Rumania in 1938 increased social insurance coverage, extended medical benefits, and introduced retirement and survivors' insurance. In Hungary, following legislation of 1938 and 1939, old-age insurance for agricultural workers went into operation in 1940. Changes in the Italian system in 1939 increased contributions and coverage, added survivors' insurance, raised unemployment insurance benefits, and expanded maternity insurance. Spain adopted compulsory health insurance in 1942.

When war came, social insurance was continued but was no longer a primary concern of the European governments. Moreover, many of the social security changes became symptomatic of pathological social conditions. Such were the racial and party provisions in Germany and the German-controlled countries.¹ Germany also set up a "New International Labor Office," which had its own "New International Labor Review."

Social insurance did not disappear among the European belligerents.

¹ See also Erna Magnus, "Social Insurance in Nazi-Controlled Countries," *Political Science Quarterly*, Vol. 7, No. 9 (September 1944), pp. 388-419.

With full employment resulting from war activities, the contributory systems geared to pay rolls had high incomes and most of them increased their benefits to offset higher living costs. In some countries social insurance was a casualty of total war; although it was not eliminated it was distorted to fit the aims of a totalitarian society. Yet, on the whole, social security survived the perversion of totalitarianism better than most social institutions.

The end of active hostilities has seen a number of European countries committed to the development of greatly strengthened social insurance systems. Belgium, by Legislative Orders of December 1944 and later measures, has introduced general compulsory social insurance, with special programs for seamen and miners. The result has been to increase old-age pensions and family allowances, make health insurance compulsory instead of voluntary, provide a single contribution for all benefits, and pay unemployment benefits while planning the establishment of a compulsory unemployment insurance system. In the Netherlands an Unemployment Insurance Fund was established in 1944 to cover persons employed in commerce and industry.

In France a beginning has been made in social insurance reform by Orders of December 1944, which increase employer and worker contributions to offset the deficits of the war years, particularly in old-age insurance. France has also made social insurance applicable to workers who were deported to Germany and to persons who gave up their work to avoid forced labor in Germany or in France.

The Czechoslovakian Government-in-exile has developed detailed plans for consolidating the previously existing separate social insurance systems, with the objective of assuring comprehensive protection for the entire working population.

Norway's Government-in-exile planned in 1944 to raise most social insurance benefit rates, promote wider health insurance coverage, provide for general disability insurance, and make extensive use of the unemployment insurance program to offset the effects of short-term unemployment during the reconstruction period.

In Switzerland, following the 1945 report of a federal commission, action

on a nation-wide system of old-age and survivors insurance was expected.

From developments such as the above and from the discussions of European delegates to the International Labor Conference and to the United Nations Conference, it is evident that the people and the governments of Europe intend to reconstitute and expand their social insurance systems.

British Commonwealth

Great Britain.—At the time the United States adopted the Social Security Act, Great Britain was taking measures to improve the condition of the long-term unemployed by linking cash public assistance to unemployment insurance in a systematic national program. The Unemployment Act of 1934 laid the foundation, and in 1935 the newly created Unemployment Assistance Board began its work of checking on individual and family resources and making the grants then considered adequate. The resulting discussion of the needs-test principle and procedures undoubtedly played a large part, if not in the findings of Sir William Beveridge, then in the eager public response to his report on social security.

Great Britain has raised its insurance benefits during the war, but its major recent contributions to social security have been the Beveridge report² of December 1942 and the Government's proposals embodying the major features of the program outlined in that report. "The main feature of the Plan for Social Security," Sir William Beveridge wrote, "is a scheme of social insurance against interruption and destruction of earning power and for special expenditure arising at birth, marriage or death. . . . In combination with national assistance and voluntary insurance as subsidiary methods, the aim of the Plan for Social Security is to make want under any circumstances unnecessary." This aim was to be achieved through a system of flat benefits related to minimum family requirements.

The British Government has undertaken by degrees to write the essential features of this new comprehensive program of social security into

the law of the land. The Government program includes acceptance of Beveridge's assumptions that full employment, family allowances, and medical care for all will accompany social insurance. A system of cash family allowances, payable to families regardless of their income, was adopted in June of this year. Full employment has been officially recognized in a governmental statement of policy³ on which there has as yet been no legislation. A governmental plan for a national health service for all was issued⁴ and is now in process of revision and more specific development in consultation with the British Medical Association and other groups.

On social insurance itself, the Government plan calls for somewhat lower contributions and benefits than those proposed by Beveridge, but the benefits nevertheless are substantial and for aged persons would take effect sooner than the Beveridge report contemplated.⁵ Although the general social insurance plan has not as yet been put into a bill, a Ministry of National Insurance has been set up, and the Government's bill for insurance against industrial injuries was introduced in June.

Australia.—In Australia, with its federal system of government, the States have had authority over unemployment benefits, miners' pensions, health services, workmen's compensation, and child welfare services. In 1935, in addition to emergency unemployment measures, there were three Commonwealth programs—noncontributory old-age pensions, invalid pensions, and maternity allowances—all dating back to 1908-12. Recent legislation and plans for the postwar period call for more adequate social security on a national basis, either by direct programs or (as in the health plan) through Commonwealth grants to States. The insurance principle appeared in the comprehensive National Health and Pensions Insurance

² "The British White Paper on Employment Policy," *Social Security Bulletin*, Vol. 7, No. 9 (September 1944), pp. 20-22.

³ "A National Health Service: The British White Paper," *Social Security Bulletin*, Vol. 7, No. 3 (March 1944), pp. 12-18; also August 1944, pp. 11-15.

⁴ "A Social Security Plan for Great Britain: The Government's White Paper," *Social Security Bulletin*, Vol. 7, No. 11 (November 1944), pp. 27-35.

⁵ See "Social Security for Great Britain—A Review of the Beveridge Report," *Social Security Bulletin*, Vol. 6, No. 1 (January 1943), pp. 3-30.

Act of 1938, but this program was not brought into operation. Instead, planning in recent years has concentrated on social security benefits financed by general taxation and restricted generally—though not in case of family allowances and maternity benefits—to persons of limited means.

The child endowment program of 1941 now pays 7s. 6d. (about \$1.25) weekly for each child except the first. It is financed mainly by a tax on employers of 2.5 percent of pay rolls which exceed £20 weekly. The income-tax exemption for children after the first has been revoked.

A National Welfare Fund was established in 1943, to receive £30 million annually from individual income-tax revenue or one-fourth of the total revenue from individual income taxes, whichever is less. First charged with the cost of maternity benefits, for which there is no means test, and the funeral costs of old-age and invalid pensioners, the Fund, it is planned, will after the war finance cash benefits for unemployment and sickness, as well as a national health and drug service and the costs of a system of public employment offices. Legislation on unemployment and cash sickness benefits to be paid from the Welfare Fund to persons of limited means was adopted in April 1944. The date for commencing the programs—originally left open—was subsequently set for July 1, 1945. The first step in the national health service was enactment of the Pharmaceutical Benefits Act of 1944, to take effect when proclaimed. Medicines and drugs will be provided to all residents of the Commonwealth, the pharmacists to be compensated by the Government from the National Welfare Fund.

Canada.—Canada also has had to adapt its social insurance programs to a federal system of government. Its first attempt at unemployment insurance, the Employment and Social Insurance Act of 1935, founded on the rock of unconstitutionality, in the form of decisions by the Canadian Supreme Court and the Privy Council of Great Britain. Upon the request of Canada's Senate and House of Commons, unanimously supported by the Provinces, the British Parliament then amended the British North America Act in 1940, to give the Do-

minion Government exclusive jurisdiction over unemployment insurance. The Canadian Parliament adopted unemployment insurance in the same year. By an executive agreement of 1942 between the Canadian and United States Governments, State unemployment compensation agencies and the Canadian insurance institution act as agents for each other in the payment of unemployment benefits to workers having rights under the Canadian or the United States insurance system but residing in the other country. As a result of abnormal wartime employment, actual amounts paid under these arrangements have as yet been very small.

To date, the unemployment insurance system is the only national social insurance program in Canada. The Dominion-Provincial noncontributory old-age pension systems, which are supported mainly by Federal grants and provide pensions to persons aged 70 or over, after investigation of income, were liberalized in 1943 and 1944.

Meantime, a number of studies of social services have been made at the National and Provincial levels by public bodies and private investigators. A comprehensive social security plan, the Marsh report, was presented to Parliament in 1943 but was not acted upon. In 1943-44 the Joint Parliamentary Committee on Social Security reviewed the work of the Advisory Committee on Health Insurance, which had been set up in 1942. Plans for a Dominion-Provincial system of medical care have been formulated, but legislative action was postponed until after the recent general election.

The recommendations of the Marsh report for family allowances were broadly followed in the Canadian Child Allowance Act of 1944, effective July 1, 1945. One of the most generous family allowance systems in the world, this program pays from \$5 to \$8 monthly, according to age, to the parents or guardians of all Canadian children, from the first to the fourth. The amounts are reduced somewhat for the fifth and additional children. It is estimated that approximately 1.3 million families will receive allowances at a total cost of about \$250 million annually.

New Zealand.—A high degree of income security for the entire popula-

tion of New Zealand has been achieved through the Social Security Act of 1938, which welded a number of older scattered programs into a unified whole. The New Zealand social security system represents a considerable departure from the pattern followed or proposed elsewhere, particularly with respect to cash benefits. The medical care benefits of the program—including relatively complete medical, hospital, and laboratory services—are available to the entire population. The cash benefits are paid upon the occurrence of specified risks—old age, invalidity, widowhood or orphanhood, sickness, and unemployment—to individuals whose income is less than a specified amount. To assure the broadest possible protection, emergency benefits are paid in case of hardship to any person not qualifying for other cash payments. The program thus has features that resemble both social insurance and public assistance. While there is a means test of sorts, it is really an income test; an essential part of the program is a fairly generous exemption of independent income in the computation of the benefit, the exemption varying in amount from about one-third to well over the full value of the benefit. Thus the non-contributory old-age pension, or "age benefit," payable at age 60, is £1 12s. 6d. per week (about \$5.25 at current exchange rates), and outside income up to £1 weekly is permitted, without any reduction in the benefit; above this exempt amount the benefit is reduced by the amount of any additional income. A superannuation benefit, payable at age 65 without any inquiry as to the recipient's income, is also available, but current payments are small and are scheduled to increase very gradually until they are the same size as the old-age benefit; eventually these superannuation benefits will replace the old-age benefit for all persons at or after age 65.

The social security benefits in New Zealand are financed primarily from income taxes, including 5 percent on wages and salaries, and 5 percent on net company income and net individual income other than wages. In addition, everyone over 16 pays a social security registration fee. A Government contribution from general revenues, which up to the present has amounted to about one-fourth of total disbursements, supplies the re-

mainder of the income for the social security system.

South Africa.—The Union of South Africa adopted an Unemployment Benefit Act in 1937 which has been put into effect in five industries in limited areas, mainly in the Transvaal, where owners and trade-unions have requested or consented to its introduction. Employer-worker committees administer collections and benefits; supervisory and appeals authority rests in the Department of Labour. Workers, employers, and the Government contribute.

Social security planning from 1941 to 1944 led to broad recommendations for cash benefits and medical care. In 1944 the Parliamentary Select Committee on Social Security urged prompt enactment of a social security program providing for higher old-age pensions; invalidity pensions; unemployment benefits; and certain types of aid to dependent children, to be payable to widows and those in similar circumstances and also for children in families receiving old-age, unemployment, and other benefits. Previously recommended schemes of family allowances, cash sickness benefits, and maternity allowances would be deferred, but native Africans not eligible for other benefits would receive small old-age, invalidity, and leper grants. The program would be financed from general revenue, by social security taxes on wages and income, and by the collection of fixed annual sums from certain groups which include agricultural and domestic workers.

The medical service plan was developed in part by the Medical Association of South Africa (1943) and in part by the Government's Commission on National Health Services (1944).⁸ The program would be governmentally administered on a regional basis and financed through a special health tax levied on all income groups and supplemented by general revenue. It would establish a national health service providing medical, hospital, and preventive care for all and operating through some 400 health centers staffed by salaried personnel.

Latin America

The countries of Latin America

⁸ See "A Health Service Plan for South Africa," *Social Security Bulletin*, Vol. 7, No. 5 (May 1944), pp. 18-21; see also the May 1945 issue, p. 22.

have probably enacted more new social security legislation since 1935 than any other comparable group of nations. In large part, the Latin-American nations have had to gear their progress to the economic realities of modest national income by selecting as a starting point certain types of programs, groups of workers, and geographic zones where social security should first be applied. But the goal of comprehensive protection has been widely recognized in governmental planning and is generally written into the laws themselves.

Argentina has had retirement programs for special occupational groups—public employees, railway workers, bank employees, journalists, and seamen—for a number of years. Since 1943, when a Ministry of Labor and Social Insurance was created, it has moved rapidly toward expansion and unification of the social insurances. In 1944 the administration of all the social insurance Funds was centralized in a new body, the National Social Insurance Institute, with a view to the eventual coordination of the benefit and contribution provisions. That year also saw enactment of old-age, invalidity, and survivors' insurance for commercial employees, effective January 1, 1945. Another law of 1944 adds preventive and curative medical care for workers insured under the retirement systems. Physical examinations and preventive rest, with continuation of salary in case of certain diseases, such as tuberculosis, cardiovascular diseases, and rheumatism, are contemplated. The budget for the new program, which is administered by the National Social Insurance Institute, is to be prepared within 2 years from adoption of the law.

Bolivia set up a Workers' Insurance and Savings Fund in 1935 to administer the systems of compulsory savings and workmen's compensation then operating in the mining industry. The savings are repaid as lump sums in the case of death, old age, invalidity, or prolonged unemployment. In addition to the enactment in 1938 of retirement systems for railway and streetcar workers and for journalists, Bolivia now has under consideration a general social insurance law.

In Brazil, by 1935, "Institutes of Retirement and Survivors' Pensions"

had been formed by public law to cover, on a national basis, occupational groups such as seamen (1933), commercial employees (1934), transport and cargo workers (1934), bank workers (1934), and stevedores (1934). An institute for persons employed in industry was set up in 1936. Between the half-dozen Institutes and some 32 Funds for various groups of public utility employees, Brazil has achieved a substantial coverage among non-agricultural workers. Old-age, invalidity, and survivors' insurance is the usual pattern, but industrial workers are protected by cash sickness, invalidity, and survivors' benefits without having old-age insurance. A nutrition service providing low-cost prepared meals and food supplies for insured persons was created in 1940, and a technical commission was formed in 1944 to manage social insurance reserves.

A far-reaching reorientation and expansion of social security in Brazil was set in motion by a decree-law of May 1945 entitled the Organic Law of Social Services of Brazil. This law extends compulsory insurance to the whole employed or income-receiving population over 14 years of age, the system to be guaranteed and administered by the National Government through a new agency, the Institute of Social Services of Brazil. The only groups exempted from the unified program are public employees and military personnel, who will retain their existing systems. Contributions for employed persons will be shared equally by employers, workers, and the State. The new law defines benefits broadly, to include insurance payments and assistance services. Among the benefits to be provided are old-age, invalidity, and survivors' insurance, cash sickness benefit, workmen's compensation, medical and hospital care, and family and child aid in the forms of marriage, prenatal, and infant assistance. Better nutrition, clothing, and housing are also among the forms of social assistance listed. Total benefits (including services and goods) will be related to contributions paid, varying with the size of the family but never amounting to less than 70 percent of the minimum regional wage.

Pending formation of the Institute, an Organizing Commission—which was appointed by the President on May 13—is authorized to supervise the

existing Institutes and Funds, draw up in detail the benefit and contribution schedules for the new program, and prepare a plan for investing social insurance reserves. It will also draft a bill for the statutes of the new Institute. The Commission must report on its work in 180 days. Meantime, the Department of Social Security of the National Labor Council is directed to prepare a general balance and inventory of all the properties of the existing Institutes and Funds, as of December 31, 1944, and to bring their accounts up to date.

Chile, a hemisphere pioneer by reason of its 1924 comprehensive Compulsory Social Insurance Act, has planned to use its social insurance funds to raise the general standard of living through programs such as milk pasteurization and low-cost housing, clothing, and food. It has also emphasized the preventive medical functions of social insurance. The Compulsory Insurance Fund, which covers all manual workers and is much the largest social insurance organization in Chile, created its Mother and Child Section in 1936 and extended from 8 months to 2 years the period during which medical care services are available for children of insured workers. More than one-fourth of all Chilean infants are cared for under this program. The Preventive Medicine Law of 1938 provided that all insured workers—manual or white-collar—should have health examinations and that for certain serious causes of disability—tuberculosis, syphilis, and heart disease—the resources of social insurance should be directed to diagnosis, medical attention including rest, and payment of full wages during this rest.

The retirement system for private salaried employees in Chile was strengthened in 1937 by the addition of unemployment insurance and family allowances. Merchant seamen came under the protection of a special insurance fund, created in 1937, to provide health, old-age, invalidity, and survivors' insurance, unemployment benefits, and family allowances; the cash benefits payable from this fund were increased in 1944. A bill drafted in 1941 but not yet acted upon would substantially increase all cash benefits, extend medical care to the family of the insured workers, add unemployment insurance, and in gen-

eral provide much broader protection for all manual workers.

In Costa Rica the social insurance program, broad in scope under the original act of 1941, now provides health and maternity benefits in the six leading cities. Plans are under consideration for introducing the system of old-age, invalidity, and survivors' insurance contemplated in the law.

The Cuban program of maternity insurance, established by legislation of 1934, is now operating under the law of December 15, 1937, as amended. It makes medical care and cash benefits available to women workers except those in agriculture. Cuban systems of old-age, invalidity, and survivors' insurance for persons in private occupations have been extended to journalists (1935), bank employees (1938), employees throughout the sugar industry (1941), and physicians (1943). A comprehensive plan for social security was issued by the Ministry of Labor in 1944.

Ecuador established a National Insurance Institute in 1935 to supervise the already existing old-age, invalidity, and survivors' insurance system for public employees and bank employees. At the same time it added a new program of sickness, maternity, old-age, invalidity, and survivors' insurance for persons employed in industry and commerce. The Ecuadorian law was revised in 1942 to provide better financing, extend health insurance to public and bank employees, and improve benefits generally.

Mexico promulgated a comprehensive social insurance law in 1943, the program to be put into effect gradually. Operations under the law began in 1944 in the Federal District, where cash and medical benefits are now provided for sickness, maternity, and occupational injuries. The dependents of persons covered by health and maternity insurance receive medical care.

Panama in 1941 adopted old-age, invalidity, health, and maternity insurance for industrial and commercial workers in the cities of Panama and Colón and for Government employees throughout the country. The law was amended to provide more adequate financing in 1943.

Paraguay enacted a social insurance

law in 1943 which, as first applied in 1944, provides workers in commerce and industry with medical care for general illness and maternity, in addition to cash payments and medical attention for occupational injuries. Old-age, invalidity, and survivors' insurance are to be introduced later, and eventually coverage will be extended to agricultural and domestic employment and self-employment.

Peru adopted social insurance legislation providing health benefits for manual workers, including agricultural labor, in 1936. This law has resulted in the completion of many hospitals and polyclinics, which under the Peruvian system are regularly developed in new areas in advance of the introduction of the insurance program to these zones.

Uruguay, which had begun in 1919 to establish old-age, invalidity, and survivors' insurance, with dismissal allowances, for persons in private employment, has attained practically complete coverage under its contributory systems. Laws to cover employers, domestic servants, and agricultural workers were enacted in 1941, 1942, and 1943, respectively.

Venezuela adopted in 1940 a program of health and maternity insurance, combined with protection for occupational accidents and diseases, and put the system into operation in the Federal District in 1944. Expansion to four additional provinces has already been advocated by the Central Insurance Institute.

International Developments

More than ever before, the international aspect of social security has come to the front in recent years. The importance of economic and social security to the future peace and welfare of the peoples of the world has been recognized in the Atlantic Charter, in the resolutions of the Pan American Conferences at Lima (1938) and Mexico City (1945), in the recommendations adopted by the Philadelphia Conference of the International Labor Organization (1944), and in the creation by the United Nations Conference at San Francisco of an Economic and Social Council.

In the field of social security proper, the International Labor Organization,

whose original roots were in the European soil where social insurance first germinated, took special notice of the Western World by convening in 1936, at Santiago, Chile, the First Labor Conference of American States which are members of the Organization. This was followed by a second conference at Havana, Cuba, in 1939. Both sessions gave special attention to social insurance as "the most effective means of affording to the workers the security to which they are entitled" (Santiago), and recommended, for each type of insurance, guiding principles developed out of the common experience of the various countries and the pool of knowledge in the hands of the ILO itself. The meetings were important mediums, too, for recording the history of the American nations in their efforts to attain social justice.

In 1940, at the dedication of the workers' hospital at Lima, Peru, representatives of 10 nations and of the ILO and the Pan American Sanitary Bureau formed the Provisional Inter-American Committee on Social Security. Its purpose of promoting the creation of a permanent Inter-American Committee on Social Security was realized at Santiago, Chile, in September 1942. Here the First Inter-American Conference on Social Security set up the statutes of a permanent hemispheric body—the Inter-American Committee on Social Security—and brought about exchange of information resulting in new recommendations on social security. The second meeting of this Committee has just been held in Mexico City, in July 1945.

Meantime, the ILO became a war refugee, with its working center in Montreal instead of Geneva. As a result of this transfer, ILO experts were

able during the war to give special aid to the Western Nations and were in an advantageous position to study, interpret, and promote the new social security ideas coming to the front in Latin America, the British Commonwealth, and the United States.

As the war effort of the United Nations gave signs of proceeding to a successful conclusion, the Twenty-Sixth Session of the International Labor Conference was convened and met at Philadelphia from April 20 to May 12, 1944. The two main resolutions on social security adopted at Philadelphia affirm that all persons should be guaranteed—through social insurance and public assistance—income sufficient to free them from want and destitution, and secondly that all should have adequate medical care. A set of guiding principles by which the nations may progressively reach these goals was included in the recommendations adopted by the Conference.

The Philadelphia Conference also unanimously approved certain social objectives—jobs and income security among them—for inclusion in the peace agreements of the United Nations. And in the "Philadelphia Charter" it set forth the social security principles that should govern the ILO and its member nations. Affirming that "poverty anywhere constitutes a danger to prosperity everywhere," the declaration proclaimed that the war against want must be "carried on with unrelenting vigor within each nation and by continuous and concerted international effort."

Summary

The past decade has seen significant and far-reaching changes in the concepts of social security and in public attitudes toward social security. The

early pattern of development was generally that of separate social insurance systems established to deal with particular forms of insecurity for selected groups of workers. This pattern persists, in greater or lesser measure, in the social security organizations throughout the world. But in many countries, especially those with a long history of social security operations, steps have already been taken, or plans developed, to consolidate and bring together separate systems and to expand both the risks and the population covered.

It was perhaps natural and inevitable that attention should center first on the separate aspects or types of insecurity which come with industrialization and the growing importance of a money economy. As more and more people came to depend upon wages and earnings from employment, more attention was given to continuity of income during periods when earnings were interrupted or cut off—as by sickness, invalidity, old age, or lack of a suitable job. It has become increasingly evident, however, that what is most important is not just old-age benefits or sickness benefits or unemployment benefits, but security for all workers and all families against income loss due to any of the major economic risks to which they are exposed. Increasingly, in the legislation and the legislative planning of the past 10 years, social security measures have been accepted as one of the major devices for assuring a satisfactory national minimum level of living. As expressed in the Atlantic Charter, in resolutions of the International Labor Conference, and in the world charter of the United Nations, social security has become one of the positive goals of national and international policy.

Selected Statistics on Social Security Operations

Table 1.—Old-age and survivors insurance: Selected data

[Corrected to July 31, 1945]

State	Employee accounts established, cumulative November 1936-June 1945 (in thousands) ¹	Workers with wage credits, 1943 (in thousands) ²	Wage credits ³			Taxes payable, cumulative 1937-44 (in thousands) ⁴	Monthly benefits in force, end of year (in thousands) ⁵				Number of beneficiaries, Dec. 31, 1944, per 100,000 population, July 1, 1944	Payments certified, cumulative 1937-44 (in thousands) ⁶			
			Total 1943 (in thousands) ⁴	Average per worker, 1943	Cumulative 1937-44 (in thousands) ⁵		Number		Amount			Total ⁷	Monthly ¹⁰		
							1940	1944 ⁸	1940	1944 ⁹			Primary	Supplementary	Survivor
Total..	82,229	48,579	\$61,764,000	\$1,271	\$338,126,000	\$6,762,520	255.0	1,116.6	\$4,710	\$20,445	842	\$688,160	\$317,522	\$55,263	\$209,646
Ala.....	1,543	869	719,505	828	3,609,000	72,180	3.8	17.5	58	250	621	8,543	3,299	490	3,405
Alaska.....	42	52	59,846	1,151	315,000	6,300	.1	.3	1	6	(11)	222	103	7	54
Ariz.....	330	218	179,301	822	940,000	18,800	.6	3.5	10	60	548	1,850	738	110	750
Ark.....	953	390	253,903	651	1,335,000	26,700	1.6	7.4	24	107	417	3,511	1,499	221	1,332
Calif.....	5,353	4,187	5,153,954	1,231	25,321,000	506,420	14.8	75.2	263	1,426	860	43,622	22,157	3,374	11,192
Colo.....	670	390	338,944	869	1,958,000	39,160	1.8	8.2	35	154	715	4,994	2,503	393	1,399
Conn.....	1,161	1,022	1,532,567	1,500	7,969,000	159,380	5.1	20.8	97	414	1,171	13,964	6,182	1,196	4,169
Del.....	179	175	201,093	1,149	979,000	19,580	.6	2.8	11	55	987	1,795	868	154	480
D. C.....	561	360	324,575	902	2,008,000	40,160	1.0	5.4	19	100	583	3,233	1,413	215	1,033
Fla.....	1,342	808	626,162	775	3,077,000	61,540	2.9	18.2	50	328	769	9,491	5,005	836	2,572
Ga.....	1,839	1,021	726,351	711	3,906,000	78,120	3.5	17.2	52	237	534	8,006	2,957	443	3,263
Hawaii.....	254	140	155,300	1,109	805,000	16,100	.7	3.4	11	53	(11)	1,665	789	69	670
Idaho.....	292	145	115,631	797	718,000	14,360	.6	2.4	12	41	451	1,440	671	97	490
Ill.....	5,337	3,802	4,638,117	1,220	27,164,000	543,280	17.5	73.5	344	1,444	951	50,930	23,679	4,094	14,481
Ind.....	2,164	1,573	1,874,675	1,192	9,768,000	196,360	7.1	29.7	129	538	868	18,696	8,672	1,634	5,541
Iowa.....	1,141	632	551,019	872	3,243,000	64,860	3.4	14.0	60	233	617	8,219	4,199	818	2,157
Kans.....	909	600	537,789	896	2,627,000	52,540	2.3	9.1	40	156	513	5,442	2,723	472	1,524
Ky.....	1,403	625	544,879	872	3,172,000	63,440	4.1	20.5	65	324	779	9,888	4,038	686	3,914
La.....	1,357	736	624,125	848	3,412,000	68,240	2.7	13.1	43	200	517	6,645	2,527	357	2,673
Maine.....	532	347	370,782	1,094	1,923,000	38,460	2.2	9.8	39	168	1,235	5,318	2,745	507	1,378
Md.....	1,180	970	1,114,794	1,149	5,613,000	112,260	3.4	16.2	62	287	761	10,108	4,308	709	3,212
Mass.....	2,917	2,000	2,531,190	1,266	14,782,000	295,640	13.4	54.1	262	1,060	1,300	35,869	17,718	3,334	9,472
Mich.....	3,523	2,700	4,158,419	1,540	20,823,000	416,460	9.9	46.4	183	888	855	29,810	11,509	2,227	10,881
Minn.....	1,406	824	852,749	1,035	4,868,000	97,360	4.0	16.7	78	318	666	11,002	5,528	999	2,975
Miss.....	936	424	226,033	533	1,226,000	24,520	1.5	6.5	22	87	299	2,896	1,091	164	1,217
Mo.....	2,314	1,436	1,383,762	964	7,837,000	156,740	6.1	26.7	114	493	744	16,492	8,019	1,388	4,423
Mont.....	297	130	129,012	992	886,000	17,720	.7	3.6	13	65	774	2,184	979	147	701
Neb.....	619	355	294,409	829	1,556,000	31,120	1.4	5.6	26	96	461	3,339	1,667	299	911
Nev.....	84	87	67,196	772	394,000	7,880	.2	1.1	3	20	703	540	218	20	189
N. H.....	316	190	181,693	956	1,144,000	22,880	1.9	6.4	33	113	1,400	3,786	2,104	379	831
N. J.....	2,724	2,198	2,849,451	1,296	15,533,000	310,660	10.8	48.1	218	967	1,154	33,504	15,815	2,903	9,303
N. Mex.....	271	135	84,135	623	508,000	10,160	.4	2.0	7	31	376	968	363	53	426
N. Y.....	9,813	6,714	8,398,571	1,251	49,558,000	991,160	34.8	144.3	692	2,849	1,142	98,655	48,940	8,326	26,165
N. C.....	1,931	1,018	757,212	744	4,481,000	89,620	4.5	19.8	64	275	560	9,521	3,490	550	4,024
N. Dak.....	221	91	52,096	572	356,000	7,120	.3	1.4	5	24	265	863	389	59	297
Ohio.....	4,559	3,283	4,400,496	1,340	23,899,000	477,980	17.2	71.5	328	1,380	1,046	46,591	21,420	4,086	13,757
Okl.....	1,258	635	518,233	816	2,795,000	55,900	2.2	8.4	37	144	407	5,125	2,123	315	1,948
Oreg.....	759	610	706,484	1,158	3,316,000	66,320	2.4	12.4	46	232	1,021	6,227	3,128	487	1,665
Pa.....	6,247	4,159	5,413,535	1,302	30,747,000	614,940	27.2	111.5	503	2,093	1,206	73,375	33,400	6,149	22,961
R. I.....	503	380	473,466	1,246	2,654,000	53,080	2.4	9.9	45	190	1,271	6,256	3,131	609	1,504
S. C.....	1,027	551	368,050	668	2,076,000	41,520	2.2	10.6	31	142	551	4,782	1,617	259	2,187
S. Dak.....	247	113	72,436	641	453,000	9,060	.4	1.9	8	32	340	1,124	531	109	338
Tenn.....	1,695	1,003	777,163	775	4,056,000	81,120	3.8	15.8	58	243	550	8,156	3,239	454	3,235
Tex.....	3,928	2,201	1,966,889	894	10,270,000	205,400	6.8	32.0	112	504	465	17,118	6,631	995	6,739
Utah.....	339	245	219,346	895	1,061,000	21,220	1.0	4.3	17	76	708	2,376	908	164	1,004
Vt.....	188	116	102,632	885	610,000	12,200	1.0	3.8	19	68	1,222	2,172	1,230	204	578
Va.....	1,489	950	764,548	805	4,351,000	87,020	3.7	19.1	58	293	597	9,593	3,618	561	3,907
Wash.....	1,202	1,070	1,251,939	1,170	5,915,000	118,300	4.1	19.7	79	396	958	11,235	5,875	903	2,810
W. Va.....	1,074	584	675,923	1,167	4,050,000	81,000	4.3	19.1	70	312	1,113	10,511	3,907	654	4,755
Wis.....	1,664	1,117	1,370,693	1,227	7,624,000	152,480	6.0	24.4	114	462	820	15,924	7,606	1,526	4,482
Wyo.....	136	80	63,927	799	435,000	8,700	.4	1.3	6	21	506	794	389	39	272

¹ Excludes about 2.4 million numbers under the railroad retirement program.
² Estimated; multistate workers counted individually in each State in which employed at some time during year. Total for United States adjusted for duplication of individuals employed in more than 1 State.

³ Represents wages used in benefit computations; excludes wages of persons aged 65 and over in 1937 and 1938 and, beginning with 1940, wages over \$3,000 a year paid to worker.

⁴ Estimated; wage credits of multistate workers in each State included as wages earned in that State.

⁵ Estimated; 1937-41 wage credits of multistate workers assigned in general to State of employment during third calendar quarter of given year; for 1942-44, wage credits of multistate workers in each State included as wages earned in that State. Includes small proportion of wages paid during period but not yet reported.

⁶ Includes small proportion of taxes payable but not yet collected.

⁷ In-force data not available for 1940; figures represent benefits awarded, which closely approximate benefits in force. Totals for 1940 include 200 awards totaling \$4,000 to persons in foreign countries.

⁸ Distribution by State estimated; data for persons now in foreign countries attributed generally to States in which claims were filed.

⁹ Includes lump-sum payments: \$76,934,000 payable under the 1939 amendments with respect to workers who died after December 1939 leaving no survivor who could be immediately entitled to monthly benefits, \$18,864,000 payable under the 1935 act with respect to workers who died before January 1940, and \$9,931,000 payable before Aug. 11, 1939, under the 1935 act to workers who had attained age 65.

¹⁰ Distribution by type estimated. Supplementary benefits are paid to entitled wives and children of retired (primary) beneficiaries. Survivor benefits are paid to the following survivors of deceased insured workers—aged widows, children, and younger widows with child beneficiaries in their care—or to dependent aged parents.

¹¹ Population data not available.

Table 2.—Unemployment compensation: Selected data on coverage

State	Minimum size-of-firm coverage, June 30, 1945 ¹	Workers with wage credits, 1943 ² (in thousands)	Employment ³			Wages ⁴		
			December 1940 ⁵ (in thousands)	December 1944 ⁶ (in thousands)	Per-centage change	October-December 1940 ⁷ (in thousands)	October-December 1944 ⁷ (in thousands)	Per-centage change
Total.....		44,900	24,457.2	29,284.7	+19.7	\$9,194,338	\$17,664,458	+92.1
Alabama.....	8 or more in 20 weeks.....	775	312.1	410.3	+31.5	82,522	184,312	+123.3
Alaska.....	1 or more at any time.....	45	9.1	14.7	+61.5	4,917	26,413	+437.2
Arizona.....	3 or more in 20 weeks.....	209	65.1	88.0	+35.2	21,396	46,946	+119.4
Arkansas.....	1 or more in 10 days.....	377	155.3	178.7	+15.1	35,066	66,391	+89.2
California.....	1 or more at any time and \$100 pay roll in calendar quarter ¹	3,915	1,437.9	2,093.4	+45.6	616,348	1,500,650	+143.5
Colorado.....	8 or more in 20 weeks.....	347	139.4	153.8	+10.3	49,435	79,163	+60.1
Connecticut.....	4 or more in 13 weeks.....	1,000	541.5	602.2	+11.2	227,527	410,059	+80.2
Delaware.....	1 or more in 20 weeks.....	162	68.7	80.1	+16.6	29,186	50,341	+72.5
District of Columbia.....	1 or more at any time.....	360	188.8	187.2	— .8	67,951	93,273	+37.3
Florida.....	8 or more in 20 weeks or \$5,000 quarterly pay roll.....	718	302.5	338.3	+11.8	80,761	165,579	+105.0
Georgia.....	8 or more in 20 weeks.....	892	387.0	478.9	+23.7	93,529	209,064	+124.2
Hawaii.....	1 or more at any time.....	135	69.2	77.5	+12.0	21,656	43,863	+102.7
Idaho.....	\$78 or more wages payable in 1 quarter.....	139	64.8	68.7	+6.0	19,874	31,875	+60.4
Illinois.....	6 or more in 20 weeks.....	3,366	1,886.0	2,135.4	+13.2	783,041	1,374,036	+75.5
Indiana.....	8 or more in 20 weeks.....	1,400	653.6	833.4	+27.5	255,611	524,338	+105.1
Iowa.....	8 or more in 15 weeks.....	523	242.1	294.9	+21.8	81,248	145,658	+79.3
Kansas.....	8 or more in 20 weeks or 25 or more in 1 week.....	526	155.5	253.5	+63.0	48,657	146,031	+200.1
Kentucky.....	4 or more in 3 quarters of preceding year, to each of whom \$50 payable in each such quarter, or 8 or more in 20 weeks.....	560	279.0	312.9	+12.2	82,331	155,299	+88.6
Louisiana.....	8 or more in 20 weeks.....	700	329.0	382.0	+16.1	95,026	195,558	+105.8
Maine.....	8 or more in 20 weeks.....	293	148.8	167.3	+12.4	43,041	92,434	+114.8
Maryland.....	1 or more at any time.....	939	439.5	488.5	+11.1	150,118	297,084	+97.9
Massachusetts.....	1 or more in 20 weeks.....	1,950	1,201.9	1,356.5	+12.9	443,543	762,692	+72.0
Michigan.....	8 or more in 20 weeks.....	2,300	1,248.3	1,535.7	+23.0	570,748	1,123,497	+96.8
Minnesota.....	1 or more in 20 weeks (or 8 or more outside cities with population of 10,000 or more).....	744	380.3	466.5	+22.7	138,668	248,763	+79.4
Mississippi.....	8 or more in 20 weeks.....	357	127.5	157.7	+23.7	33,336	61,513	+84.5
Missouri.....	8 or more in 20 weeks.....	1,250	577.2	715.9	+24.0	206,490	388,255	+88.0
Montana.....	1 or more in 20 weeks or annual pay roll over \$500.....	125	77.5	72.5	— 6.5	27,877	57,060	+32.9
Nebraska.....	8 or more in 20 weeks or \$10,000 quarterly pay roll ¹	292	103.5	144.7	+39.8	35,059	77,960	+122.4
Nevada.....	\$225 or more wages payable in 1 quarter.....	80	24.6	28.3	+15.0	9,457	17,069	+80.5
New Hampshire.....	4 or more in 20 weeks.....	168	106.7	105.7	— .9	31,231	48,410	+55.0
New Jersey.....	4 or more in 20 weeks ¹	1,962	1,028.9	1,193.8	+16.0	422,087	819,288	+93.7
New Mexico.....	\$450 or more wages paid in 1 quarter or 2 or more in 13 weeks.....	132	48.1	57.6	+19.8	13,907	24,340	+75.0
New York.....	4 or more in 15 days.....	6,019	3,385.8	3,875.3	+14.5	1,457,452	2,523,500	+73.1
North Carolina.....	8 or more in 20 weeks.....	929	505.4	542.0	+7.2	125,885	219,902	+74.7
North Dakota.....	8 or more in 20 weeks.....	65	29.1	30.2	+3.8	8,833	13,516	+53.0
Ohio.....	3 or more at any time.....	3,155	1,608.5	1,989.6	+23.7	671,344	1,346,703	+100.6
Oklahoma.....	8 or more in 20 weeks.....	521	195.0	257.8	+32.2	66,370	138,660	+108.9
Oregon.....	4 or more in any 1 day in any calendar quarter with pay roll of \$500.....	590	197.8	304.8	+54.1	68,637	201,908	+194.2
Pennsylvania.....	1 or more at any time.....	4,100	2,497.8	2,686.6	+7.6	914,523	1,521,374	+66.4
Rhode Island.....	4 or more in 20 weeks.....	369	225.8	225.1	— .3	74,175	132,248	+78.3
South Carolina.....	8 or more in 20 weeks.....	471	243.2	252.0	+3.6	53,726	92,152	+71.5
South Dakota.....	8 or more in 20 weeks.....	74	35.2	37.3	+6.0	11,201	15,439	+37.8
Tennessee.....	8 or more in 20 weeks.....	872	334.9	478.4	+42.8	99,674	232,088	+132.8
Texas.....	8 or more in 20 weeks.....	1,893	722.7	983.2	+36.0	232,009	524,935	+126.3
Utah.....	\$140 or more wages payable in 1 quarter.....	240	84.0	96.8	+15.2	28,332	51,027	+80.1
Vermont.....	8 or more in 20 weeks.....	100	49.9	56.3	+12.8	16,884	28,397	+68.2
Virginia.....	8 or more in 20 weeks.....	870	400.8	416.5	+3.9	117,872	204,392	+73.4
Washington.....	1 or more at any time.....	1,030	304.1	555.9	+82.5	113,516	363,638	+220.3
West Virginia.....	8 or more in 20 weeks.....	518	317.8	325.8	+2.5	104,412	178,948	+71.4
Wisconsin.....	6 or more in 18 weeks or annual pay roll of \$6,000; also employer with more than \$10,000 quarterly pay roll.....	1,017	483.5	656.0	+35.7	195,326	406,338	+108.0
Wyoming.....	1 or more in 20 weeks and \$150 or more wages payable in 1 quarter or \$500 in 1 year.....	78	36.5	40.5	+11.0	11,623	21,429	+84.4

¹ Provisions of State laws include amendments enacted and reported to the Bureau of Employment Security through June 30, 1945. Except when otherwise noted, all amendments will become effective during 1945.

² Total has been reduced to adjust for duplication arising from employment in more than 1 State during the year.

³ Represents workers in covered employment in last pay period of each type weekly, semimonthly, etc.) ending within the month.

⁴ Represents actual data for 1940.

⁵ Data estimated; based on coverage provisions in effect fourth quarter of 1943.

⁶ Represents total wages earned in covered employment during all pay periods ending within the quarter.

⁷ Effective Jan. 1, 1946.

Table 3.—Unemployment compensation: Selected data on benefits

State	Maximum duration (weeks) of benefits, June 30, 1945 ¹ (U=uniform)	Weekly benefit amount, June 30, 1945 ¹		Average weekly benefit for total unemployment		Average weekly number of beneficiaries through June 30, 1945 ²			
		Minimum	Maximum	1940	January-June 1945	Low		High	
						Date	Number	Date	Number
Total				\$10.50	\$16.90	Nov. 1943	56,354	June 1940	1,268,566
Alabama	20	\$4	\$20	6.52	11.87	May 1944	649	May 1938	32,814
Alaska	10	5	16	14.67	15.09	Nov. 1942	10	Aug. 1940	1,222
Arizona	14	5	15	10.96	14.02	Sept. 1943	50	Mar. 1938	4,612
Arkansas	16	3	15	6.36	11.05	July 1944	180	May 1940	12,628
California	23.4	10	40	13.98	18.83	Nov. 1943	4,249	Mar. 1940	114,455
Colorado	16	5	15	10.51	12.65	Apr. 1945	87	Mar. 1939	11,364
Connecticut	20	8-12	15-25	9.98	19.45	Oct. 1943	407	Mar. 1938	60,022
Delaware	22	7	18	8.96	16.12	do.	54	Feb. 1940	3,394
District of Columbia	20	6-9	20	9.71	17.68	June 1945	209	Mar. 1940	6,496
Florida	16	5	15	9.72	13.28	Apr. 1944	532	Aug. 1940	20,656
Georgia	U 16	4	18	6.56	11.84	Oct. 1944	405	do.	19,109
Hawaii	U 20	5	25	8.24	19.04	Sept. 1944	0	Jan. 1940	1,195
Idaho	17	5	18	11.24	13.72	Nov. 1943	15	Mar. 1939	10,154
Illinois	26	10	20	12.92	18.43	do.	5,635	Jan. 1940	109,639
Indiana	20	5	20	10.97	16.33	July 1944	957	Oct. 1938	66,957
Iowa	18	5	18	9.50	11.87	Oct. 1944	196	Mar. 1939	22,248
Kansas	20	5	16	9.30	12.82	do.	280	do.	10,060
Kentucky	U 20	5	16	7.88	10.71	Aug. 1944	946	May 1939	20,858
Louisiana	20	3	16	8.02	14.89	Nov. 1943	526	June 1940	19,749
Maine	U 20	4	20	6.65	13.14	Apr. 1944	339	May 1940	18,218
Maryland	26	7	20	8.96	17.87	Oct. 1944	613	Mar. 1938	44,414
Massachusetts	23	4	21	10.09	16.65	Oct. 1943	2,189	June 1940	95,935
Michigan	20	4-8	20-28	12.56	19.42	do.	1,271	Sept. 1938	198,685
Minnesota	20	7	20	10.24	14.19	Oct. 1944	154	Apr. 1938	33,292
Mississippi	U 14	3	15	6.03	11.26	Nov. 1944	212	Mar. 1940	11,023
Missouri	16	3	18	9.06	14.13	Apr. 1945	873	Mar. 1942	20,992
Montana	U 16	5	15	10.89	12.66	Oct. 1943	41	Mar. 1940	10,779
Nebraska	18	5	18	9.28	12.73	Nov. 1944	32	do.	6,995
Nevada	20	8-14	18-24	13.22	14.66	Oct. 1944	29	do.	2,695
New Hampshire	U 20	6	20	8.82	11.91	July 1944	157	Mar. 1938	11,047
New Jersey	26	9	22	9.46	16.72	Sept. 1944	3,617	Mar. 1939	56,564
New Mexico	16	5	15	9.16	11.43	Aug. 1944	0	do.	3,798
New York	U 26	10	21	11.58	17.01	Oct. 1944	10,778	July 1940	286,009
North Carolina	U 16	4	20	4.68	9.04	Dec. 1944	466	June 1938	37,072
North Dakota	U 20	5	20	9.54	12.15	Oct. 1944	2	Mar. 1939	2,609
Ohio	U 22	4	21	10.28	14.60	do.	708	June 1939	71,072
Oklahoma	20	6	18	9.84	14.44	Apr. 1945	220	Mar. 1939	13,325
Oregon	20	10	18	12.43	14.41	Sept. 1943	64	Mar. 1938	22,007
Pennsylvania	20	8	20	10.90	15.87	June 1944	1,890	do.	204,127
Rhode Island	20.25	6.75	18	10.54	16.83	Dec. 1943	960	do.	40,498
South Carolina	U 16	4	20	6.71	10.27	Oct. 1944	268	Mar. 1939	10,465
South Dakota	20	6	15	7.24	9.66	do.	8	do.	2,292
Tennessee	U 16	5	15	7.48	11.70	May 1945	1,218	June 1938	27,211
Texas	U 18	5	18	8.07	12.49	July 1944	592	Mar. 1939	30,911
Utah	U 19	10	15	11.11	19.16	July 1943	50	Mar. 1938	8,005
Vermont	U 20	6	20	9.08	13.48	Apr. 1945	44	do.	4,850
Virginia	16	4	15	7.68	10.88	Nov. 1944	212	July 1938	31,359
Washington	26	10	25	12.62	14.70	Sept. 1943	133	Mar. 1940	26,082
West Virginia	U 21	8	20	8.00	14.96	Apr. 1945	422	June 1938	42,982
Wisconsin	U 23	10	20	11.02	15.30	July 1944	445	Mar. 1938	28,684
Wyoming	20	7	20	13.16	15.95	Sept. 1943	0	Mar. 1940	3,842

¹ Provisions of State laws include amendments enacted and reported to the Bureau of Employment Security through June 30, 1945. Except when otherwise noted, all amendments will become effective during 1945.

² For years prior to 1940, data are average weekly number of payments issued during month. United States totals not comparable prior to July 1939.

³ Excludes Connecticut for June; data not reported.

⁴ Law contains provision for reduction if solvency of fund is imperiled.

⁵ Effective Jan. 1, 1946, except Illinois minimum weekly benefit, which is effective with respect to benefit year beginning Apr. 1, 1946 (until then, minimum is \$7).

⁶ Four States provide for dependents' allowances: Connecticut—maximum primary benefit is \$22; weekly benefits may be increased \$2 for each dependent up to 3. District of Columbia—weekly benefits may be increased \$1 for each dependent of specified types up to 3; same maximum (\$20) with or without dependents. Michigan—basic benefit plus \$2 per child dependent up to the lesser of \$28 and average weekly wage in high quarter; maximum basic benefit is \$20. Nevada—dependents' allowances of \$3 for 1 or 2 dependents; \$6 for 3 or more; dependents' allowances will not increase maximum annual benefits and hence will decrease weeks of benefits for claimants with dependents. For example, maximum duration is 15 weeks for claimant receiving \$24 maximum weekly payment.

⁷ Weekly benefit amount is average weekly wage in high quarter if less than \$10. With minimum high-quarter wages necessary to qualify, weekly benefit amount would be \$4.81. Minimum duration is 30 percent of base-period earnings but not less than 12 weeks. Amendments effective Apr. 1, 1945, add dependents' benefits up to the average weekly wage and hence do not affect the claimant at the minimum.

⁸ Minimum benefit is 50 cents, but if less than \$3, total benefits are paid at rate of \$3 per week.

⁹ Converted from days of unemployment in New York and 2-week periods in Texas.

¹⁰ 20 weeks for veterans under "freezing provisions."

¹¹ Duration based on calendar weeks of covered employment in base period: 18 weeks' duration for claimants with 20 weeks of covered employment; 19 weeks' duration for 21-24 weeks of covered employment; 22 weeks' duration for over 24 weeks of covered employment.

¹² Effective July 1, 1945, Utah law provides for adjustment of weekly benefit amount according to Bureau of Labor Statistics cost-of-living index; duration and benefit limits shown are those now applicable. Greatest possible duration is 19 weeks under the upward adjustment; 28.3 weeks under the downward adjustment; when no adjustment applies, 23 weeks uniform. Maximum weekly benefit amount without cost-of-living adjustment is \$20 and minimum \$5. Total benefits payable during benefit year computed as 23 times normal weekly benefit amount; hence, under cost-of-living adjustments, duration in weeks varies inversely with weekly benefit amount. Thus a claimant eligible for the maximum weekly benefit amount and duration (\$20 for 23 weeks) would receive, under the upward adjustment and at present time, \$25 for 18.4 weeks and, under the downward adjustment, \$17 for 27 weeks. Upward adjustment of 120 percent of regular rate computed to next higher multiple of \$1 (i. e., a maximum of \$25) goes into effect when index is 125 or more and remains in effect until index reaches 120 or below; downward adjustment of 80 percent of regular rate computed to next higher multiple of \$1 (but not to be reduced below \$13) goes into effect when index is 98.5 or below and remains in effect until index reaches 100 or more.

¹³ Minimum weekly benefit amount is \$6, but benefits are paid at rate of \$8 per week.

Table 4.—Unemployment compensation: Selected data on financing

State	Date benefits first payable	Total benefits paid through June 30, 1945 ¹ (in thousands)	State unemployment compensation contributions			Funds available for benefits, June 30, 1945		Federal grants for unemployment compensation administration, cumulative 1936-June 1945 (in thousands)	
			Total contributions paid through June 30, 1945 ² (in thousands)	Average employer rate		Ratio (percent) of benefits to collections through June 30, 1945	Total amount ³ (in thousands)		Ratio to 1944 annual taxable wages (percent)
				1940	1944 ³				
Total		\$2,218,011	\$8,433,145	2.7	1.8	26.3	\$6,684,716	11.0	\$420,470
Alabama	Jan. 1938	26,074	87,274	2.7	1.0	29.9	65,809	9.6	4,861
Alaska	Jan. 1939	1,397	8,701	2.7	2.7	16.1	7,692	10.7	443
Arizona	Jan. 1938	6,282	23,651	2.7	2.1	26.6	18,457	10.9	1,904
Arkansas	Jan. 1939	8,698	34,957	2.7	2.0	24.9	28,130	11.5	3,269
California	Jan. 1938	243,601	897,284	2.7	2.1	27.1	697,380	13.2	31,851
Colorado	Jan. 1939	11,016	41,443	2.7	1.8	26.6	33,060	11.9	2,593
Connecticut	Jan. 1938	31,087	189,852	2.7	2.1	16.4	170,158	11.9	8,591
Delaware	Jan. 1939	2,872	15,890	2.7	1.7	18.1	14,408	8.7	1,415
District of Columbia	Jan. 1938	9,691	48,171	2.7	2.4	20.1	42,683	13.7	2,968
Florida	Jan. 1939	22,049	72,667	2.7	2.1	30.3	53,876	9.6	4,057
Georgia	do.	16,845	87,649	2.7	2.0	19.2	76,310	10.4	5,585
Hawaii	do.	917	16,661	2.7	1.4	5.5	17,164	11.8	987
Idaho	Sept. 1938	7,108	20,224	2.7	2.4	35.1	13,999	12.2	1,740
Illinois	July 1939	148,115	608,323	2.7	1.2	24.3	501,888	10.7	23,367
Indiana	Apr. 1938	56,551	222,544	2.7	1.8	25.4	178,316	9.5	12,156
Iowa	July 1938	17,809	72,309	2.7	1.7	24.0	59,117	11.6	3,833
Kansas	Jan. 1939	9,357	37,845	2.7	2.1	16.2	31,993	9.4	2,081
Kentucky	do.	16,632	93,611	2.7	2.0	17.8	83,753	14.8	4,800
Louisiana	Jan. 1938	31,034	101,262	2.7	2.7	30.6	74,881	10.9	5,417
Maine	do.	14,930	47,977	2.7	2.3	31.1	34,929	10.4	3,168
Maryland	do.	33,429	149,057	2.7	1.6	22.4	122,781	11.2	5,912
Massachusetts	do.	113,433	307,456	2.7	1.9	36.9	212,906	8.3	21,367
Michigan	July 1938	178,171	433,843	3.0	1.2	41.1	275,831	7.2	20,370
Minnesota	Jan. 1938	40,944	120,087	2.7	1.6	33.6	85,427	10.1	8,698
Mississippi	Apr. 1938	8,968	31,655	2.7	2.7	28.3	24,063	11.3	2,836
Missouri	Jan. 1939	30,566	171,741	2.7	1.6	17.8	153,602	11.7	9,961
Montana	July 1939	7,938	24,093	2.7	2.7	32.9	17,432	13.5	1,584
Nebraska	Jan. 1939	5,781	29,024	1.9	1.8	19.9	25,225	9.8	2,204
Nevada	do.	3,123	12,331	2.7	2.7	25.3	9,737	13.7	1,112
New Hampshire	Jan. 1938	8,998	28,882	2.7	1.8	31.5	21,224	12.0	2,560
New Jersey	Jan. 1939	74,972	478,944	2.7	1.9	15.7	434,925	15.5	17,121
New Mexico	Dec. 1938	3,777	12,584	2.7	2.0	30.1	9,461	10.8	1,241
New York	Jan. 1938	433,980	1,329,109	2.7	2.7	32.6	954,666	11.7	59,613
North Carolina	do.	24,863	118,884	2.7	2.4	20.9	100,612	13.3	7,467
North Dakota	Jan. 1939	2,105	6,573	2.7	1.7	32.0	4,911	10.9	1,208
Ohio	do.	77,832	502,939	2.7	1.5	15.5	462,102	10.2	19,990
Oklahoma	Dec. 1938	14,475	56,666	2.7	1.4	25.5	46,003	9.4	4,089
Oregon	Jan. 1938	18,950	84,603	2.7	2.2	22.4	69,413	9.6	5,421
Pennsylvania	do.	217,187	774,530	2.7	1.2	28.0	598,190	11.6	41,461
Rhode Island	do.	34,406	100,383	2.7	2.7	34.3	70,271	15.2	4,683
South Carolina	July 1938	9,714	43,823	2.7	1.8	22.2	36,978	11.0	3,570
South Dakota	Jan. 1939	1,396	6,992	2.7	1.9	20.0	6,215	11.3	1,008
Tennessee	Jan. 1938	31,454	107,233	2.7	2.6	29.3	80,276	9.7	6,058
Texas	do.	41,218	177,930	2.7	1.2	23.2	148,740	7.9	14,074
Utah	do.	8,676	31,793	2.7	2.7	27.3	24,499	13.1	2,203
Vermont	do.	3,290	14,416	2.7	2.0	22.8	11,975	11.7	1,534
Virginia	do.	22,997	80,416	2.7	1.2	28.6	62,258	8.7	5,900
Washington	Jan. 1939	24,595	159,560	2.7	2.7	15.4	142,663	10.7	6,404
West Virginia	Jan. 1938	27,353	90,012	2.7	1.7	30.4	67,358	9.7	5,792
Wisconsin	July 1936	29,048	189,159	1.6	1.6	15.4	173,342	12.5	7,978
Wyoming	Jan. 1939	3,395	10,444	2.7	1.7	32.5	7,628	10.1	1,064

¹ Adjusted for voided benefit checks; includes benefits paid through June 1939 to employees of railroads and other groups subject thereafter to Railroad Unemployment Insurance Act.

² Contributions, penalties, and interest from employers, and contributions from employees. Includes refunds of \$40,562,000 deposited June 30, 1938, by Federal Government in unemployment trust fund accounts of 15 States, collected on pay rolls for 1936 under title IX of Social Security Act. Excludes contributions through June 1939 from railroads and other groups subject thereafter to Railroad Unemployment Insurance Act. Adjusted for refunds of contributions and for dishonored contribution checks. 1945 standard contribution

rates (percent of taxable wages) were: for employers, 2.7 percent except in Michigan, where rate was 3.0 percent; for employees, 1.0 percent in Alabama, California, and New Jersey, and 0.5 percent in Rhode Island. Experience rating, resulting in modified employer contribution rates, effective in 45 States in 1945.

³ Does not include effect of "war-risk" provisions of State law, operative during 1944 in 10 States, or effect of 0.5 percent "postwar reserve" contribution paid by all subject employers in Wisconsin.

⁴ Sum of balances in State clearing account and benefit-payment account, and in State account in the Federal unemployment trust fund.

Table 5.—Public assistance: Date of first payment¹ under the Social Security Act and Federal grants to States² in the fiscal year 1944-45 and cumulative 1936-June 1945, by State and program

[Amounts in thousands]

State	Total Federal grants (checks issued), cumulative 1936-June 1945	Old-age assistance		Aid to dependent children		Aid to the blind				
		Date first payment under act	Federal grants		Date first payment under act	Federal grants				
			Cumulative 1936-June 1945	Fiscal year 1944-45		Cumulative 1936-June 1945	Fiscal year 1944-45			
Total.....	\$2,837,180		\$2,341,875	\$338,523		\$428,949	\$52,821	\$66,356	\$10,056	
Alabama.....	18,165	Feb. 1936	13,116	3,122	Feb. 1936	4,689	773	Apr. 1937	360	81
Alaska.....	1,928	July 1937	1,928	258						
Arizona.....	17,508	do.	13,583	2,323	June 1936	3,322	364	June 1936	603	111
Arkansas.....	18,627	Mar. 1936	13,755	3,167	Apr. 1936	4,195	815	Apr. 1936	676	152
California.....	301,498	Apr. 1936	268,802	38,503	July 1936	19,918	1,677	July 1936	12,779	1,370
Colorado.....	76,284	do.	67,872	9,358	Apr. 1936	7,339	805	Apr. 1936	1,073	122
Connecticut.....	26,119	do.	24,444	2,577	Dec. 1941	1,479	365	July 1938	196	24
Delaware.....	2,383	Feb. 1936	1,640	134	Aug. 1936	743	68			
District of Columbia.....	6,680	Mar. 1936	4,357	461	Feb. 1936	1,949	128	Apr. 1936	375	50
Florida.....	35,783	Oct. 1936	29,895	6,482	Sept. 1938	3,981	807	Jan. 1938	1,906	391
Georgia.....	28,587	July 1937	23,172	4,409	July 1937	4,399	590	July 1937	1,016	185
Hawaii.....	2,747	Sept. 1936	1,256	155	June 1937	1,427	109	Nov. 1937	64	9
Idaho.....	17,019	Feb. 1936	12,982	1,874	Feb. 1936	3,650	306	Feb. 1936	387	43
Illinois.....	190,989	July 1936	171,576	21,565	Oct. 1941	17,504	3,813	Oct. 1943	1,908	1,049
Indiana.....	83,190	Apr. 1936	63,075	8,159	Sept. 1936	17,078	1,250	Apr. 1936	3,037	402
Iowa.....	65,101	Feb. 1936	62,388	8,836	Jan. 1944	921	549	Nov. 1937	1,792	260
Kansas.....	37,820	Aug. 1937	29,504	4,927	Aug. 1937	6,917	640	Sept. 1937	1,399	216
Kentucky.....	26,905	Aug. 1936	25,347	3,930	Jan. 1943	1,226	654	Dec. 1942	332	131
Louisiana.....	43,752	June 1936	26,467	5,542	June 1936	16,111	2,417	July 1937	1,174	266
Maine.....	19,248	May 1936	15,132	2,619	Feb. 1936	2,659	274	Feb. 1936	1,457	154
Maryland.....	27,194	Feb. 1936	16,958	1,861	do.	9,464	653	May 1936	773	83
Massachusetts.....	147,862	do.	129,419	16,376	Apr. 1936	16,922	1,599	Apr. 1936	1,522	206
Michigan.....	116,590	do.	90,604	14,539	Sept. 1936	24,517	2,715	July 1936	1,468	244
Minnesota.....	90,520	Mar. 1936	78,518	10,825	Sept. 1937	10,701	1,229	July 1937	1,301	223
Mississippi.....	13,654	Feb. 1936	11,542	2,614	Mar. 1941	1,539	459	Nov. 1938	573	178
Missouri.....	103,188	do.	89,327	13,455	Jan. 1938	13,861	2,182			
Montana.....	17,787	June 1936	14,588	2,270	Apr. 1937	2,890	303	May 1938	310	70
Nebraska.....	37,160	Feb. 1936	30,135	4,159	Apr. 1936	6,267	496	Mar. 1936	758	70
Nevada.....	3,107	Aug. 1937	3,107	427						
New Hampshire.....	8,971	Feb. 1936	7,463	1,069	Feb. 1936	1,091	145	Feb. 1936	417	49
New Jersey.....	46,243	Apr. 1936	32,819	4,358	Apr. 1936	12,497	815	July 1936	927	125
New Mexico.....	8,117	May 1936	4,925	1,071	June 1936	2,912	525	June 1936	270	49
New York.....	197,868	do.	153,535	19,001	May 1937	40,297	4,694	May 1937	4,037	666
North Carolina.....	26,299	July 1937	17,663	2,463	July 1937	6,894	978	July 1937	1,742	266
North Dakota.....	12,601	May 1936	9,489	1,577	Oct. 1937	2,942	360	Jan. 1937	170	25
Ohio.....	190,651	Feb. 1936	169,437	19,854	July 1936	16,708	1,707	July 1936	4,507	519
Oklahoma.....	97,093	Apr. 1936	79,077	13,812	Apr. 1936	15,871	2,957	Feb. 1937	2,145	358
Oregon.....	29,031	do.	25,933	4,026	June 1937	2,446	266	May 1936	652	81
Pennsylvania.....	174,892	July 1936	116,729	13,722	Aug. 1936	54,845	5,052	Feb. 1936 ³	3,319	4-13
Rhode Island.....	10,410	Feb. 1936	8,326	1,416	Jan. 1937	2,005	218	July 1939	78	18
South Carolina.....	13,671	Aug. 1937	10,119	1,715	Aug. 1937	3,010	503	Aug. 1937	543	112
South Dakota.....	16,625	Oct. 1936	14,959	1,864	Nov. 1940	1,465	303	Feb. 1938	201	29
Tennessee.....	34,936	July 1937	21,873	3,949	July 1937	12,001	2,164	July 1937	1,062	194
Texas.....	146,936	July 1936	138,713	25,933	Oct. 1941	5,751	1,491	Oct. 1941	2,472	779
Utah.....	24,439	Mar. 1936	19,481	2,877	Mar. 1936	4,659	456	Mar. 1936	299	31
Vermont.....	5,926	Feb. 1936	4,873	587	do.	865	111	Apr. 1936	188	29
Virginia.....	11,995	Sept. 1938	7,674	1,193	Sept. 1938	3,663	637	Sept. 1938	668	122
Washington.....	93,059	Feb. 1936	83,366	14,381	Feb. 1936	8,026	788	Apr. 1936	1,667	149
West Virginia.....	26,985	Nov. 1936	15,659	2,042	Jan. 1937	10,448	1,390	Jan. 1937	878	111
Wisconsin.....	76,957	Feb. 1936	60,479	7,005	Feb. 1936	13,846	1,141	Feb. 1936	2,632	234
Wyoming.....	6,080	do.	4,794	678	do.	1,032	73	do.	234	26

¹ Excludes earlier periods of operation of 5 months or less in 3 States and interruptions of 3 months or less in use of Federal funds in a few other States because of expiration or withdrawal of State plans or other reasons.

² Represents checks issued by Treasury.

³ Federal funds used for payments February 1936-December 1937 under plan which expired Dec. 31, 1939.

⁴ Represents refund of unobligated balance of Federal funds.

Table 6.—Old-age assistance: Selected data for programs under the Social Security Act

State	Eligibility conditions, as of July 1, 1945		Usual State maximum on amount of individual payment, July 1, 1945	Average payment		Number of recipients			Payments to recipients (in thousands)			Total expenditures, 1944 ¹			
	Citizen-ship requirement ²	Years of State residence required ³		June 1936	June 1945	June 1936	June 1945	Per 1,000 population aged 65 and over, June 1945 ⁴	Fiscal year 1936-37 ⁵	Fiscal year 1944-45	Cumulative February 1936-June 1945	Amount (in thousands)	Percent from—		
													Federal funds	State funds	Local funds
All States				\$15.99	\$29.46	603,710	2,038,440	202	\$243,229	\$704,036	\$4,583,547	\$732,296	47.5	44.6	7.9
Alabama		1	\$40	10.71	15.51	8,353	31,948	209	1,371	5,887	24,980	5,908	49.4	26.2	24.4
Alaska	X	5	60		34.49		1,321	(7)		534	3,742	549	48.0	52.0	
Arizona	X	5			38.55		9,431			4,390	25,648	4,567	50.4	49.6	
Arkansas	X	1	\$30		5.90	17.99	27,906	340	1,400	5,965	25,754	5,713	50.3	49.7	
California	X	5	50	23.24	47.32	42,718	157,876	243	23,731	89,516	555,986	93,577	41.2	46.9	11.9
Colorado	X	5	45	19.07	41.35	21,267	40,448	405	8,587	20,204	143,982	20,813	44.8	54.5	.7
Connecticut	X	5	\$40	22.39	36.73	7,949	13,878	94	3,594	5,979	48,179	6,088	47.8	52.2	
Delaware	X	5	30	10.29	15.84	2,398	1,297	57	375	254	3,099	302	46.1	53.9	
District of Columbia	X	5		25.25	31.89	478	2,434	51	431	971	8,539	1,117	46.1	53.9	
Florida	X	5	40		28.88		40,815	280	837	13,461	57,268	11,919	49.7	50.3	
Georgia		1	30		11.42		66,418	380		9,081	44,045	9,792	48.5	46.3	5.2
Hawaii		1			22.59		1,436	(7)	77	382	2,411	486	39.1	60.9	
Idaho		5		21.12	30.22	7,073	9,638	268	2,175	3,555	24,599	3,724	50.1	49.9	
Illinois	X	5	\$40		31.93		121,529	190	16,228	46,469	330,180	49,693	50.1	49.9	
Indiana	X	5	\$40	7.97	25.61	31,576	55,184	181	5,663	17,083	120,988	18,194	49.4	29.7	20.9
Iowa	X	5		14.54	31.72	29,584	49,277	205	5,490	18,287	120,479	18,338	49.2	50.4	.4
Kansas		5			23.82		28,087	169		9,681	56,341	10,366	47.1	28.7	24.2
Kentucky	X	5	30		11.46		48,190	237	1,681	6,990	48,027	7,338	49.2	50.8	
Louisiana	X	3	75	10.29	23.65	9,156	36,445	276	1,955	9,877	50,165	10,402	48.2	51.8	
Maine	X	5	40	19.75	29.59	1,057	14,894	182	803	5,134	28,863	5,124	49.5	50.5	
Maryland	X	5	40	12.77	27.77	9,797	11,556	84	2,444	3,838	32,780	4,203	48.1	35.2	16.7
Massachusetts	X	3		23.49	42.76	28,334	74,561	185	14,854	37,308	263,364	39,228	42.6	37.1	20.3
Michigan		5	\$40	16.39	30.65	27,697	84,357	228	6,529	30,536	173,374	31,289	50.0	50.0	(10)
Minnesota	X	5	\$40	18.44	30.12	38,813	54,820	233	12,441	19,705	150,142	20,527	50.0	31.7	18.3
Mississippi	1	30	3	3.62	15.42	14,325	27,537	220	795	4,932	21,594	4,221	48.4	51.6	
Missouri		5	\$30	8.95	23.36	15,449	100,406	287	6,382	27,868	170,994	28,914	49.5	50.3	.2
Montana		5	40	12.89	31.10	986	10,733	262	1,867	3,933	27,461	4,142	49.2	33.3	17.5
Nebraska		5	40	15.49	28.74	20,600	24,108	210	4,973	8,148	57,256	8,391	49.7	50.3	23.6
Nevada	X	5	40		38.42		1,919	226		894		958	49.5	26.9	23.6
New Hampshire	X	5	40	20.77	30.03	2,667	6,545	131	818	2,273	14,556	2,338	49.3	27.2	23.5
New Jersey		1		15.88	31.74	15,904	23,576	71	4,203	8,927	65,338	9,426	46.2	35.6	18.2
New Mexico		5	50	14.47	31.81	757	5,843	225	471	2,156	9,554	2,207	46.3	53.7	
New York		1		20.59	34.79	58,662	103,550	98	19,792	43,501	314,608	48,832	43.4	29.7	26.9
North Carolina	X	1	40		12.50		32,743	186		4,663	33,284	4,943	48.2	28.0	23.8
North Dakota	X	1		15.32	33.32	2,293	8,722	203	1,151	3,398	18,417	3,316	47.1	42.2	10.7
Ohio	X	5	40	15.10	29.85	86,037	118,242	199	27,319	42,718	329,654	44,416	50.0	50.0	
Oklahoma	X	5	40	7.93	29.27	41,099	78,275	495	6,854	20,027	150,975	25,529	50.3	49.7	
Oregon		5		20.51	35.37	9,459	20,040	187	3,016	8,206	49,674	8,147	49.7	31.4	18.9
Pennsylvania		5	(11)		30.00		82,675	108	17,025	29,313	227,179	32,028	48.1	51.9	
Rhode Island				17.47	33.67	1,695	7,214	116	686	2,838	16,283	2,927	47.1	52.9	
South Carolina	X	5	20		14.14		21,393	233		3,570	19,334	3,832	47.2	52.6	.2
South Dakota		2	40		24.53		12,692	270	1,446	3,721	28,745	3,891	49.4	50.3	.3
Tennessee		5			16.08		37,917	202		7,541	41,196	7,948	49.9	38.2	11.9
Texas	X	5	30		23.90		169,812	440	17,420	45,146	260,133	45,915	50.7	49.3	
Utah		5	\$40	18.51	38.73	4,313	12,871	379	1,428	5,839	37,404	6,108	48.1	37.0	14.9
Vermont	X	5	\$40	11.16	22.30	4,131	5,158	143	548	1,317	9,569	1,329	50.1	49.9	
Virginia		5	\$40		13.70		15,037	87		2,463	14,756	2,781	45.6	33.0	21.4
Washington				20.29	48.29	17,787	60,861	354	6,754	28,523	158,935	28,435	50.1	49.9	
West Virginia		1	40		17.98		18,543	166	1,306	4,027	29,925	4,215	49.1	50.9	
Wisconsin	X	5		17.75	29.14	29,166	44,923	171	7,659	15,676	118,805	16,280	50.2	28.7	21.1
Wyoming	X	5	\$50	21.02	36.30	2,238	3,359	227	649	1,312	9,049	1,374	48.6	30.5	20.9

¹ Alternatives or modifications provided in some States.² Requirement in most States same or substantially same as limitation specified in Social Security Act, i. e., 1 year preceding application and 4 other years out of last 9.³ Population aged 65 and over as of April 1945 estimated by the Social Security Board. Rate is understatement for some States because only 1 recipient is reported when a single payment is made to husband and wife, both 65 or over.⁴ First full fiscal year.⁵ Represents amounts for assistance and administration.⁶ May be exceeded for recipients with medical or other special needs and, in Utah, also for recipients with dependents.⁷ Not available.⁸ Payments to husband and wife may not exceed \$50 in Arkansas, \$45 in Missouri, \$60 in Vermont, and \$80 in Wyoming.⁹ Partly estimated.¹⁰ Less than 0.05 percent.¹¹ Cost of 5 basic requirements.

Table 7.—Aid to dependent children: Selected data for programs under the Social Security Act

State	Eligibility conditions, as of July 1, 1945			Usual State maximum on amount of monthly payment, July 1, 1945		Average payment per family		Number of recipients			Payments to recipients (in thousands)			Total expenditures, 1944 ⁴			
	Age limit for children aided		Years of State residence required ¹	First child	Each additional child	June 1936	June 1945	Families		Children per 1,000 population under age 18, June 1945 ²	Fiscal year 1936-37 ³	Fiscal year 1944-45	Cumulative February 1936-June 1945	Amount (in thousands)	Percent from—		
	If attending school	If not attending school						June 1936	June 1945						Federal funds	State funds	Local funds
All States.....						\$23.46	\$47.46	60,664	255,577	16	\$40,773	\$138,644	\$1,071,703	\$147,525	37.4	45.2	17.4
Alabama.....	18	16	1			8.86	25.04	4,911	5,077	13	678	1,485	9,236	1,505	49.3	25.7	25.0
Arizona.....	16	16	1	\$18	\$12	27.98	39.52	465	1,417	18	315	655	6,774	711	50.0	50.0	
Arkansas.....	18	16	1	18	12	6.98	28.69	2,301	4,585	18	463	1,603	8,379	1,594	50.0	50.0	
California.....	18	18	1				81.20		6,552	8	3,468	6,085	59,337	6,634	26.3	37.9	35.8
Colorado.....	18	16	1			26.87	53.22	997	3,208	25	913	1,595	15,213	1,626	50.0	24.8	25.2
Connecticut.....	18	16	1				77.39		2,017	10		1,744	5,183	1,678	25.0	46.4	28.6
Delaware.....	18	16	1				67.88		271	10	128	290	1,647	210	34.3	36.9	28.8
District of Columbia.....	18	18	1			37.50	59.95	1,553	599	14	721	402	4,763	428	38.4	61.6	
Florida.....	18	16	1	18	12		33.50		5,476	21		1,764	7,984	1,429	50.0	50.0	
Georgia.....	16	16		18	12		24.96		3,935	8		1,186	8,785	1,287	50.0	44.8	5.2
Hawaii.....	18	18	1				59.34		516	(?)	22	357	3,263	\$360	\$35.0	\$65.0	
Idaho.....	18	16	1			25.94	36.44	1,390	1,191	18	587	7,728	673	50.0	50.0		
Illinois.....	18	16	1	40	12		49.87		19,826	22		10,496	34,742	9,690	46.9	53.1	
Indiana.....	18	16	1	20	12		36.47		6,053	13	1,114	2,813	38,423	3,362	44.9	32.1	23.0
Iowa.....	18	16	1	18	12		27.21		3,056	11		997	1,440	1,035	50.0	26.9	23.1
Kansas.....	18	16	1				49.13		2,860	14		1,726	16,067	2,059	36.7	29.5	33.8
Kentucky.....	18	16	1	18	12		21.72		4,730	13		1,232	2,150	1,193	50.0	50.0	
Louisiana.....	18	16	1	40	(?)	21.21	44.71	4,023	9,120	27	1,451	4,392	32,664	5,150	41.8	58.2	
Maine.....	18	16	1			35.69	63.71	1,185	1,318	14	545	953	6,965	974	33.9	36.1	30.0
Maryland.....	18	16	1	18	12	29.50	37.53	5,494	2,875	13	1,903	1,247	20,022	1,468	50.0	30.9	19.1
Massachusetts.....	18	16	1			59.48	80.32	4,724	7,161	15	3,782	6,601	62,765	7,008	24.6	31.7	43.7
Michigan.....	18	16	1	50	12	60.25	80.32		12,591	17	2,860	9,055	70,410	9,529	29.3	66.8	3.9
Minnesota.....	18	16	1	40	12	41.91	41.91		4,697	15		2,457	24,246	2,840	42.6	26.4	31.0
Mississippi.....	18	16	1	15	12	25.91	25.91		2,837	9		878	2,789	828	50.0	50.0	
Missouri.....	16	14	1	18	12		33.72		10,913	26		4,326	27,182	4,645	50.0	49.7	3
Montana.....	18	16	1				45.13		1,299	21	71	569	5,867	628	49.8	34.5	15.7
Nebraska.....	16	16	1			22.58	32.79	1,406	2,220	13	939	950	13,156	1,155	50.0	50.0	
New Hampshire.....	16	16	1			34.92	68.37	346	745	13	147	521	3,088	477	31.1	68.9	
New Jersey.....	18	16	1			26.40	58.52	10,237	3,238	7	3,448	2,252	30,774	2,242	34.4	35.2	30.4
New Mexico.....	18	16	1			29.28	38.56	32	2,542	32	264	1,081	5,979	1,088	45.3	54.7	
New York.....	18	16	1			74.58	74.58		18,948	13	2,115	16,546	141,055	18,344	25.3	26.9	47.8
North Carolina.....	18	16	1	18	12	24.79	24.79		6,118	11		1,710	13,036	1,845	50.0	27.9	22.1
North Dakota.....	18	18	1			54.96	54.96		1,468	20		927	6,179	961	38.6	31.8	29.6
Ohio.....	18	16	1			54.27	54.27		7,391	10	3,172	4,861	43,624	5,433	35.6	29.1	35.3
Oklahoma.....	18	16	1	18	12	8.83	34.16	15,511	14,793	47	934	5,712	32,418	5,778	50.0	50.0	
Oregon.....	18	16	1			79.46	79.46		1,244	9	18	1,111	7,244	1,105	25.5	46.1	28.4
Pennsylvania.....	18	16	1	(11)	(11)	63.71	63.71		21,913	20	4,186	15,160	135,091	16,888	34.2	65.8	
Rhode Island.....	18	18				67.85	67.85		1,234	15	209	933	5,988	930	28.6	71.4	
South Carolina.....	16	16	1	15	10	24.18	24.18		3,687	14		1,008	6,006	1,057	49.8	50.0	.2
South Dakota.....	18	16	1	30	12	40.41	40.41		1,446	17		604	2,710	625	49.8	49.8	.4
Tennessee.....	18	16	1	18	12	30.23	30.23		11,008	27		4,047	23,798	4,269	50.0	34.3	15.7
Texas.....	14	14	1	16	8	20.80	20.80		11,066	11		2,695	9,678	2,926	50.0	50.0	
Utah.....	18	16	1	(11)	(11)	29.07	73.24	1,901	1,847	21	718	1,607	12,830	1,708	27.4	57.8	14.8
Vermont.....	16	16	1	18	12	18.95	34.51	291	576	14	80	228	1,740	241	50.0	26.4	23.6
Virginia.....	18	16	1			29.56	29.56		3,454	10		1,181	6,250	1,368	49.2	28.9	21.9
Washington.....	18	16	1			26.62	90.20	4,370	3,543	17	1,886	3,432	21,703	3,431	22.8	77.2	
West Virginia.....	18	16	1	18	12	32.67	32.67		7,128	28		2,717	20,751	2,801	50.0	50.0	
Wisconsin.....	18	16	1			28.26	54.92	8,046	5,475	14	3,202	3,782	42,374	4,103	32.8	31.7	35.5
Wyoming.....	18	16	1			28.03	59.47	501	283	10	217	174	2,208	208	40.7	35.6	23.7

¹ Requirement in most States same or substantially same as limitation specified in Social Security Act, i. e., 1 year preceding application or born within State within 1 year preceding application if mother has resided in State for 1 year preceding child's birth.

² Population under age 18 as of November 1943 estimated by the Social Security Board.

³ First full fiscal year.

⁴ Represents amounts for assistance and administration.

⁵ Maximum for family: \$50 in Arkansas, \$75 in Iowa, \$75 in Louisiana, \$65 in North Carolina, and \$24 in Texas.

⁶ Residence not required if child born in State.

⁷ Not available.

⁸ Assistance only.

⁹ Partly estimated.

¹⁰ Higher maximum for second child: \$18 in Indiana, \$15 in Minnesota, and \$10 in Mississippi. Maximums in Indiana may be exceeded for recipients with medical needs.

¹¹ Scale set in other terms in Pennsylvania and Utah and based on number of persons in family.

¹² 21 years under specified conditions in North Dakota and at option of local agency in Wisconsin.

Table 8.—Aid to the blind: Selected data for programs under the Social Security Act

State	Eligibility conditions, as of July 1, 1945				Usual State maximum on amount of individual payment, July 1, 1945	Average payment		Number of recipients			Payments to recipients (in thousands)			Total expenditures, 1944 ^a			
	Minimum age requirement ¹	Citizenship requirement ¹	Years of residence ²			June 1936	June 1945	June 1936	June 1945	Per 100,000 population, June 1945 ³	Fiscal year 1936-37 ⁴	Fiscal year 1944-45	Cumulative February 1936-June 1945	Amount (in thousands)	Percent from—		
			If sight lost while resident	Others											Federal funds	State funds	Local funds
All States						\$18.80	\$30.27	9,166	55,465	46	\$5,509	\$19,891	\$134,068	\$21,452	47.5	38.9	13.6
Alabama				1	\$40		15.93		757	27	4	146	711	151	50.0	25.5	24.5
Arizona	16			5	50	17.95	46.01	40	450	70	34	232	1,272	219	45.3	54.7	-----
Arkansas	16			1	40	5.52	19.87	398	1,218	69	57	294	1,382	295	40.0	50.0	-----
California	16			5	60		47.77		5,415	62	1,908	3,224	32,917	3,643	40.2	29.4	30.4
Colorado				5	40	19.13	36.67	500	468	41	180	215	2,079	248	50.0	25.1	24.9
Connecticut		X	5	5	* 40	10.28	35.72	239	130	7		55	491	59	47.8	52.2	-----
District of Columbia	16	X	1	5		23.56	35.30	34	200	22	27	94	757	110	49.1	50.9	-----
Florida			75	1	40		29.95		2,268	96		802	3,883	745	50.0	50.0	-----
Georgia	21		1	1	30		14.15		2,020	63		350	1,982	391	50.0	44.8	5.2
Hawaii			1	1			25.09		64	(⁵)		19	122	* 19	49.7	10	50.3
Idaho			5	5		24.92	31.44	219	206	39	72	81	769	89	50.0	50.0	-----
Illinois	18			1	* 40	33.73	33.73		5,149	67		2,045	4,340	2,072	49.3	50.7	-----
Indiana	11 18	X		5	* 40	17.80	29.66	1,068	2,025	59	303	767	6,011	890	49.9	47.4	2.7
Iowa	18	X		5			33.11		1,253	55		510	3,618	542	50.0	25.5	24.5
Kansas			5	5			31.20		1,062	60		397	2,734	455	48.1	25.4	26.5
Kentucky			71	1	40		12.96		1,576	60		249	664	260	50.0	50.0	-----
Louisiana				3	75		27.25		1,367	54		444	2,315	502	49.0	51.0	-----
Maine	16		5	5	40	14.39	30.62	1,090	815	103	245	294	2,928	301	50.0	50.0	-----
Maryland			1	1	40	16.15	31.22	548	438	21	131	161	1,523	176	50.0	16.5	33.5
Massachusetts	21		3	3		15.55	44.39	1,076	959	23	108	486	3,213	484	45.0	55.0	-----
Michigan	16			5	40		34.46		1,251	23	97	509	3,118	522	50.0	50.0	(¹²)
Minnesota	21			5			37.68		947	38		407	2,605	435	47.2	47.5	5.3
Mississippi			1	1	30		22.18		1,456	67		328	1,165	252	50.0	50.0	-----
Montana			5	5	40		34.44		324	70		120	597	126	49.8	32.9	17.3
Nebraska	16		5	5	40	18.31	29.34	334	447	37	119	152	1,302	169	50.0	50.0	-----
New Hampshire	16		1	1	40	17.79	30.73	264	269	59	64	96	835	99	50.0	50.0	-----
New Jersey	21		1	1			33.46		534	13	120	206	1,745	232	49.1	3.7	47.2
New Mexico	18			5	40	19.90	29.00	10	246	46	27	89	539	102	50.0	50.0	-----
New York			1	1			39.13		2,920	23	47	1,320	8,093	1,530	45.7	27.4	26.9
North Carolina			1	1	40	18.40	18.63	20	2,334	66		477	3,252	541	50.0	23.9	26.1
North Dakota		X	1	1			32.33		113	21	2	45	322	50	48.4	48.2	3.4
Ohio	18			5	40		27.00		3,017	44	693	982	8,735	1,128	49.9	16.4	33.7
Oklahoma			5	5	40		34.37		1,847	89	74	691	4,421	694	50.0	50.0	-----
Oregon			75	75		25.03	46.25	58	370	30	91	200	1,406	195	42.5	35.6	21.9
Rhode Island							31.39		103	13		34	160	35	47.6	52.4	-----
South Carolina				5	25		20.24		922	48		211	1,063	217	49.5	50.2	.3
South Dakota	18			2	40		22.15		220	39		57	394	60	49.8	49.9	.3
Tennessee	16		5	5	40		19.99		1,537	54		372	2,195	388	50.0	38.0	12.0
Texas	21	X		5	30		24.36		4,625	67		1,342	4,945	1,514	50.0	50.0	-----
Utah			5	5	* 40	21.50	38.90	203	127	21	66	62	605	70	43.7	42.0	14.3
Vermont		X		2	40	18.72	28.49	86	144	46	20	52	374	57	50.0	50.0	-----
Virginia			5	5	40		18.14		954	30		201	1,193	227	50.0	28.8	21.2
Washington	16		1	5		31.91	54.12	677	883	28	297	302	3,506	326	49.7	50.3	-----
West Virginia			1	1	40		20.98		823	48	36	218	1,728	236	50.0	50.0	-----
Wisconsin	18			5	40	21.01	29.36	2,125	1,400	47	524	501	5,274	540	50.0	30.1	19.9
Wyoming			5	5	50	32.92	38.89	177	112	44	72	52	532	57	47.3	51.5	1.2

¹ Alternatives or modifications provided for in a few States.² Requirement in most States same or substantially same as limitations specified in Social Security Act, i. e., 1 year preceding application and 4 other years out of last 9.³ Population as of July 1, 1944, estimated by the U. S. Bureau of the Census. Represents civilian population and servicemen stationed in a given State on July 1, 1944.⁴ First full fiscal year.⁵ Represents amounts for assistance and administration.⁶ May be exceeded for recipients with medical or other special needs and, in Utah, also for recipients with dependents.⁷ In Florida, for child, 1 year's residence of child or mother; in Kentucky and Oregon, no requirement for child under certain conditions.⁸ Not available.⁹ Assistance only.¹⁰ Partly estimated.¹¹ 18 for girls; 21 for boys.¹² Less than 0.05 percent.

Public Assistance

Incapacity as an Eligibility Factor in Aid to Dependent Children

Most of the 48 States that had mothers'-aid laws when the Social Security Act was passed accepted incapacity of the father as an eligibility factor, but few mothers were accepted under this provision. Frequently the ideology and patterns established in mothers' aid carried over to the program for aid to dependent children. Although many States have broadened the definition of incapacity, there is dissatisfaction with the definitions and methods used in determining this factor.

To see more clearly the nature of the problem, the policies, standards, and procedures followed by 16 State

agencies¹ have been reviewed. These 16 States represent slightly more than a third of the States with approved plans, but they provide assistance to more than half the children and families aided. This summary does not interpret the data; it is a composite picture of State policies and procedures which affect the determination of incapacity.

All but one of these States had a mothers'-aid law before 1935. Except in California and New York,² the stat-

¹ Alabama, California, Connecticut, Illinois, Indiana, Louisiana, Massachusetts, Michigan, New York, Oklahoma, Pennsylvania, South Dakota, Utah, Washington, West Virginia, Wisconsin. Copies of the full summary of the study, dated October 1944, are available on request from the Bureau of Public Assistance.

² California defines needy children as "children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in a stage that he cannot pursue a gainful occupation." On Mar. 28, 1945, New York made its provisions as broad as the

utory provisions concerning deprivation of parental support by reason of physical or mental incapacity are as broad as those in the Federal act.

Definitions of deprivation of parental support or care "by reason of . . . incapacity of a parent."—All agencies mention the parent's incapacity either as affecting support and/or care of the children. In 11, the parent's incapacity is related only to the factor of support. Eleven agencies accept incapacity of either parent; 3 others discuss it in terms of the wage earner but tend to exclude the mother. Two States give assistance only if specific health conditions are met and the parent's presence in the home is in the child's best interest.

Incapacity described.—Nine agencies describe the conditions under which the incapacity may exist or the circumstances which may constitute evidence of incapacity. Incapacity is described as a physical or mental dis-

Federal law; at the time of the study, however, the law specified a number of conditions which were more restrictive.

Table 1.—Public assistance in the United States, by month, June 1944–June 1945¹

Year and month	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance	Total	Old-age assistance	Aid to dependent children		Aid to the blind	General assistance
			Families	Children					Families	Children		
Number of recipients												
Percentage change from previous month												
1944												
June.....		2,086,943	260,239	651,469	72,817	258,000		-0.4	-0.9	-0.7	-0.1	-2.9
July.....		2,080,883	255,945	641,350	72,768	255,000		-3	-1.7	-1.6	-1	-1.3
August.....		2,075,371	253,238	636,651	72,640	254,000		-3	-1.1	-7	-2	-4
September.....		2,070,432	252,363	635,174	72,553	254,000		-2	-3	-2	-1	+1
October.....		2,069,203	251,469	633,405	72,465	254,000		-1	-4	-3	-1	(2)
November.....		2,067,650	251,653	633,778	72,377	255,000		-1	+1	+1	-1	+3
December.....		2,065,892	253,681	638,882	72,301	258,000		-1	+8	+8	-1	+1.4
1945												
January.....		2,059,202	254,728	642,116	72,145	260,000		-3	+4	+5	-2	+6
February.....		2,052,886	255,289	643,903	71,893	258,000		-3	+2	+3	-3	-5
March.....		2,048,895	256,075	646,187	71,653	258,000		-2	+3	+4	-3	(2)
April.....		2,044,128	256,041	646,729	71,497	252,000		-2	(2)	+3	-1	-2.5
May.....		2,040,724	255,987	646,825	71,304	238,000		-2	(2)	(2)	-3	-5.7
June.....		2,038,440	255,674	646,801	71,193	234,000		-1	-1	(2)	-2	-1.4
Amount of assistance												
Percentage change from previous month												
1944												
June.....	\$78,045,897	\$57,528,199	\$11,224,228		\$2,091,470	\$7,202,000		-0.2	+0.1	-0.3	+0.2	-2.0
July.....	77,853,223	57,651,634	11,136,863		2,101,726	6,963,000		-2	+2	-3	+5	-3.3
August.....	78,040,093	57,852,949	10,978,659		2,107,485	7,101,000		+2	+3	-1.4	+3	+2.0
September.....	78,074,438	57,895,855	11,067,866		2,108,717	7,002,000	(2)	+1	+8	+1	+1	-1.4
October.....	78,738,323	58,188,915	11,198,912		2,112,493	7,238,000		+9	+5	+1.2	+2	+3.4
November.....	79,210,750	58,592,144	11,396,971		2,117,635	7,284,000		+6	+5	+1.0	+2	+6
December.....	79,829,784	58,721,787	11,560,642		2,119,355	7,428,000		+8	+4	+2.2	+1	+2.0
1945												
January.....	79,978,727	58,736,891	11,635,258		2,120,578	7,486,000	+2	(2)	+6	+1	+8	
February.....	79,806,522	58,693,475	11,741,862		2,122,185	7,249,000	-2	-1	+9	+1	-3.2	
March.....	80,358,700	58,856,126	11,903,031		2,120,543	7,479,000	+7	+3	+1.4	-1	+3.2	
April.....	80,194,990	59,062,140	11,987,848		2,119,002	7,026,000	-2	+3	+7	-1	-6.1	
May.....	80,896,330	59,826,101	12,037,783		2,123,446	6,909,000	+9	+1.3	+4	+2	-1.7	
June.....	81,118,671	60,047,496	12,133,500		2,133,675	6,904,000	+3	+4	+8	+5	-1.5	

¹ Partly estimated and subject to revision. For monthly data prior to 1944 for continental United States, see the *Bulletin*, February 1944, p. 27. Beginning with March 1945 *Bulletin*, data cover 51 jurisdictions. Excludes programs administered without Federal participation in States administering such programs concurrently with programs under the Social Security Act.

² Increase of less than 0.05 percent.

³ Decrease of less than 0.05 percent.

ability (4 agencies); as a physical or mental ailment, defect, illness, or infirmity (4); as a "condition of mind or body resulting in dependency" (1). Eight agencies mention the degree of the incapacity, which may be "total, partial, permanent, or temporary" (1 agency); "total or partial" (3); "temporary or partial" (1); "permanent" (1); and sufficient "to disable for gainful work" and to "prevent from following usual occupation" (2). Twelve specify the duration of the incapacity, with limits of from 3 months to 1 year (11) and "for other than emergency illness" (1).

Factors considered.—In determining incapacity, releases of all agencies discuss one or more factors to be examined. These factors, while not mutually exclusive, can be grouped roughly under the major headings of medical information; social, mental, emotional, and unemployment factors; and age and blindness.

Each agency mentions the need for medical information. Nine agencies require a medical examination; 4 others waive it only in specific instances, such as receipt of aid to the blind, "institutionalization," "obvious physical impairment," or incapacity for "ordinary mobility." Two States require a medical examination when necessary to substantiate the case his-

tory, and 2 request a medical history of the condition.

Nine agencies consider social factors, including environment, family history, education, social adjustment, and future plans; 6 consider mental factors; and 8 consider behavior patterns and personal traits; attitude toward disability, work, and family responsibility; attitude of the family; and emotional adjustment.

Consistent with the statutory relationship between incapacity and parental support, more agencies (12) gave consideration to employment factors than to any others except medical information. Some describe the conditions under which the parent may be determined incapacitated for work, as, for example, if there is no work available within his capacity (1), if he cannot perform a "substantial or material part of usual gainful work" or engage in "full-time employment" (2), and if he is employable but his earnings are insufficient and the handicap prevents supplementary work or other employment (1). Five agencies specify that the earnings of the incapacitated parent may be supplemented, but need for supplementation must result from incapacity and not from employment conditions (2), must result directly from the handicap (1), and cannot result from un-

employment or low earnings typical of the industry (1).

Who determines incapacity.—Responsibility for determining incapacity seems to rest entirely with the assistance agency in 6 States and with the examining physician or a medical advisory committee in 10.

Continuing eligibility by reason of incapacity.—Eleven agencies provide for continuing eligibility during the period of adjustment following illness, convalescence, rehabilitation, or training if incapacity continues. Four set no time limit, and 5 set 3 months. In 1 agency the incapacity may be considered as continuing during the training period; in another, after institutionalization if the physician states that the parent is unemployable.

Assistance and service to the incapacitated parent.—Eleven agencies discuss provisions which may be made for the incapacitated parent. In 4 agencies he is "included in the budget," and one of them provides also for medical and rehabilitative treatment. If living in the home, the spouse of the applicant may be "included in the budget" (1 agency). In others the parent's "maintenance needs" may be considered (1), given attention when he is the "head of the family" (1), and considered only if he is

Table 2.—Old-age assistance: Recipients and payments to recipients, by State, June 1945¹

State	Number of recipients	Payments to recipients		Percentage change from—				State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	May 1945 in—		June 1944 in—				Total amount	Average	May 1945 in—		June 1944 in—	
				Number	Amount	Number	Amount					Number	Amount	Number	Amount
Total.....	2,038,440	\$60,047,496	\$29.46	-0.1	+0.4	-2.3	+4.4	Mo.....	100,406	\$2,345,766	\$23.36	-0.2	+0.2	-2.9	+2.9
Ala.....	31,948	495,632	15.51	+4	-2	+11.4	+9.2	Mont.....	10,733	333,829	31.10	-4	+2	-3.9	+2.8
Alaska.....	1,321	45,565	34.49	+6	+1.1	-5.5	+1.6	Neb.....	24,108	692,974	28.74	-4	-1	-4.5	+5.4
Ariz.....	9,431	363,560	38.55	-5	-4	-1.0	-7	Nev.....	1,919	73,725	38.42	+1	+2	-3.4	-2.2
Ark.....	27,906	502,157	17.99	-1.1	-1.0	+2.8	+9.6	N. H.....	6,545	196,547	30.03	-1	+5	-1.5	+6.9
Calif.....	157,876	7,470,456	47.32	+2	+2	+2	+4	N. J.....	23,576	748,241	31.74	-6	-3	-6.9	+4.4
Colo.....	40,448	1,672,397	41.35	-3	-3	-1.3	-1.0	N. Mex.....	5,843	185,868	31.81	+1.4	+5	+0.8	+8.1
Conn.....	13,878	509,779	36.73	-1	-5	-2.7	+4.4	N. Y.....	103,550	3,602,672	34.79	-3	+1.7	-4.8	+8
Del.....	1,297	20,539	15.84	-1.7	+1.3	-15.3	-7.2	N. C.....	32,743	406,176	12.50	0	+1.1	-2.8	+8.4
D. C.....	2,434	77,631	31.89	-3	+1	-11.7	-5.8	N. Dak.....	8,722	290,629	33.32	-4	-8	-1.4	+15.2
Fla.....	40,815	1,178,830	28.88	+6	+8	+5.8	+26.8	Ohio.....	118,242	3,529,798	29.85	-4	-1	-5.3	-1.0
Ga.....	66,418	758,316	11.42	-1	+1	-3.8	+5	Okl.....	78,275	2,291,194	29.27	+6	+1.0	+1.6	+13.2
Hawaii.....	1,436	32,433	22.59	+2	-2	-3.8	+9.1	Oreg.....	20,040	708,773	35.37	+4	+1.6	+2.8	+9.1
Idaho.....	9,638	291,235	30.22	-3	-4	-3.1	-4.6	Pa.....	82,675	2,480,532	30.00	-2	+3	-3.0	+0.8
Ill.....	121,529	3,880,470	31.93	-3	+1	-5.7	-2.5	R. I.....	7,214	242,916	33.67	-2	+1	+2	+6.9
Ind.....	55,184	1,413,351	25.61	-6	+3	-6.6	-1.0	S. C.....	21,393	302,440	14.14	-1	+1	+1.1	+2.4
Iowa.....	49,277	1,563,115	31.72	-2	+6	-4.0	+7.2	S. Dak.....	12,692	311,308	24.53	-2	+3	-3.2	+7
Kans.....	28,067	809,517	28.82	-1	+3	-1.6	+3.1	Tenn.....	37,917	609,867	16.08	-3	-2	-4	-2.9
Ky.....	48,190	552,481	11.46	-1.1	-8	-11.1	-7.3	Tex.....	169,812	4,057,832	23.90	+4	+5	-2.4	+9.5
La.....	36,445	861,788	23.65	(²)	+9	-1.0	+5.0	Utah.....	12,871	498,444	38.73	(²)	+9	-3.1	+2.2
Maine.....	14,894	440,739	29.59	-2	+3	-1.6	+8.3	Vt.....	5,158	115,010	22.30	(²)	+1.6	-1.6	+9.5
Md.....	11,556	320,929	27.77	-6	-1	-6.8	+1.3	Va.....	15,037	205,994	13.70	-4	+1	-7.0	+2.8
Mass.....	74,561	3,187,944	42.76	-2	-3	-2.4	+4.5	Wash.....	60,861	2,938,907	48.29	+8	+1.8	+1.3	+30.0
Mich.....	84,357	2,585,828	30.65	-1	+5	-1.5	+3.5	W. Va.....	18,543	333,473	17.98	(²)	(²)	+5	+1.4
Minn.....	54,820	1,651,242	30.12	-5	(²)	-4.5	+1.3	Wis.....	44,923	1,308,990	29.14	-5	+1	-5.1	+7.8
Miss.....	27,537	424,732	15.42	-3	+4	+9.5	+08.3	Wyo.....	3,359	121,925	36.30	-4	+6.2	+3.4	+16.2

¹ For definitions of terms, see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

² Increase of less than 0.05 percent.
³ Decrease of less than 0.05 percent.

the adult responsible for care (1). Medical care is provided if the parent is the grantee relative (1), medical needs but not other needs are recognized (1), and "opportunities for nec-

essary medical care are made available" (1). Services to the family, discussed by 1 agency, include consideration of remedial medical treatment, possibility of retraining, and help to

the family in accepting the parent's handicap and appreciating him as a person and not merely as a source of support.

Medical examination.—Of the 14

Table 3.—General assistance: Cases and payments to cases, by State, June 1945¹

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	May 1945 in—		June 1944 in—	
				Number	Amount	Number	Amount
Total ²	234,000	\$6,804,000	\$29.06	-1.4	-1.5	-9.4	-5.5
Ala.....	3,107	43,251	13.92	+4	-2	+14.2	+14.6
Alaska.....	151	4,097	27.13	+10.2	-8.1	+22.8	+15.8
Ariz.....	1,758	38,814	22.08	+11.9	+8.9	-20.6	-41.2
Ark.....	2,670	31,677	11.86	+9	+1.8	-6.4	+3.2
Calif.....	11,237	420,453	37.42	-7	-1.3	+4.8	+14.1
Colo.....	1,267	98,182	31.00	-4.0	-2.0	-32.7	-28.0
Conn.....	2,395	77,456	32.34	-2.4	-2.3	-6.1	-1.8
Del.....	336	8,241	24.53	-1.2	+7	+4.0	+13.9
D. C.....	730	26,636	36.49	-2.8	-2.0	-11.9	-3.1
Fla.....	4,700	44,000					
Ga.....	2,549	30,766	12.07	-1.9	-9	-6.8	+4.6
Hawaii.....	541	17,083	31.58	-1.1	-6	-7.5	+1.1
Idaho.....	573	12,094	20.95	-2.2	-1.5	-5.0	+3.3
Ill.....	23,054	724,265	31.42	-1.5	-1.4	-18.5	-21.7
Ind.....	5,535	120,586	21.70	-3.2	-4	-5.9	+13.0
Iowa.....	3,789	69,594	18.37	-1.4	-6.2	-20.2	-7.5
Kans.....	3,193	92,518	28.98	-1.7	-2	-12.0	-3.5
Ky.....	1,500	21,000					
La.....	7,314	131,107	17.93	+7	+1.3	+14.7	-6.2
Maine.....	1,883	58,082	30.85	-2.8	-3.8	-5.5	+6.5
Md.....	4,857	157,111	32.35	+1.4	+3.5	+10.8	+14.5
Mass.....	12,456	390,187	32.10	-1.1	-5.4	-10.3	-2.8
Mich.....	10,340	330,855	32.00	+5	-2.4	+3.1	+12.5
Minn.....	5,117	135,077	26.40	-3.3	-3.1	-15.4	-10.0
Miss.....	321	2,729	8.50	-1.5	-9	-5.0	+12.3
Mo.....	8,011	158,885	19.83	-4.7	-14.8	+13.3	-10.6
Mont.....	948	23,179	24.45	0	-1	-19.9	-15.1
Nebr.....	1,594	33,627	21.10	+9	-3	-11.8	+10.5
Nev.....	165	3,402	20.62	+6	+2.8	-27.3	-4.9
N. H.....	1,066	28,736	26.96	-6.1	-7.8	-24.5	-20.4
N. J.....	4,483	155,361	34.66	-1.7	-3.5	-18.4	-6.6
N. Mex.....	1,126	25,553	22.69	-9	-1	+26.8	+133.9
N. Y.....	335,615	1,608,406	45.16	-1.4	+3	-15.7	-13.1
N. C.....	2,367	25,293	10.69	-1.4	-2.4	-5	+14.1
N. Dak.....	600	14,092	23.34	-6.1	-6.6	-14.8	-2.3
Ohio.....	10,698	298,865	27.94	-2.6	-2.2	-8.8	-1.2
Okl.....	5,074	48,505	(9)	(9)	+23.1	(9)	+38.4
Oreg.....	3,940	15,772	39.79	+3.3	+1.4	+25.2	+37.6
R. I.....	20,069	527,707	26.29	-2.2	-3.3	-10.7	+8.0
S. C.....	1,933	60,775	31.44	+4	-4.7	+9.3	+2.8
S. Dak.....	2,705	30,683	11.34	-5	+2.0	+1	+8.7
Tenn.....	829	17,535	21.15	-6.3	-5.9	-13.6	-1.0
Tex.....	1,200	10,000					
Utah.....	2,900	46,000					
Vt.....	1,396	56,081	40.17	-1	-5	-4.7	-3.5
Va.....	809	18,933	23.40	-7	+1	-15.2	-7
Wash.....	3,102	51,731	16.68	+7	+6.0	-11.9	+1.7
W. Va.....	4,749	230,274	48.49	-1.6	+3.1	-22.7	+3.0
Wis.....	4,059	66,748	13.98	-4.6	-6.4	-12.8	-33.0
Wyo.....	4,474	105,564	23.59	-3.0	-4.0	-16.2	-14.6
	330	10,363	31.40	-2.4	+6.3	-8.1	+7.8

¹ For definitions of terms, see the *Bulletin*, July 1945, pp. 27-28. All data subject to revision.

² Partly estimated; does not represent sum of State figures, because total excludes estimated number of cases and payments for medical care, hospitalization, and burial only in Indiana and New Jersey, and estimated duplication of cases in Oklahoma.

³ State program only; excludes program administered by local officials.

⁴ Based on actual reports including an estimated 97 percent of cases and payments.

⁵ Estimated.

⁶ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments. Amount of payments shown represents approximately 60 percent of total.

⁷ Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

⁸ Excludes a few cases and a small amount of local funds not administered by the State agency.

⁹ Includes cases receiving medical care only; number believed by State agency to be insignificant.

¹⁰ Represents 2,114 cases added by county commissioners and 2,960 cases added under program administered by State Board of Public Welfare; amount of duplication believed to be large; average per case and percentage change in number of cases cannot be computed.

Table 4.—Aid to the blind: Recipients and payments to recipients, by State, June 1945¹

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	May 1945 in—		June 1944 in—	
				Number	Amount	Number	Amount
Total.....	71,193	\$2,133,675	\$29.97	-0.2	+0.5	-2.2	+2.0
Total, 46 States ²	55,465	1,679,185	30.27	-0.2	+0.6	-2.4	+3.2
Ala.....	757	12,060	15.93	-3	+2	+5.9	+5.8
Ariz.....	450	20,705	46.01	+1.1	+1.4	+20.0	+27.4
Ark.....	1,218	24,196	19.87	-9	-1.2	+4	+4.7
Calif.....	5,415	258,679	47.77	-7	-6	-8.7	-8.0
Colo.....	468	17,161	36.67	-6	-3	-10.5	-8.5
Conn.....	130	4,644	35.72	0	+1.1	-2.3	+3.5
D. C.....	200	7,060	35.30	-1.0	+4	-15.3	-15.6
Fla.....	2,268	67,926	29.95	+3	+3	-1.7	+15.9
Ga.....	2,020	28,593	14.15	0	+1	-5.7	-3.6
Hawaii.....	64	1,606	25.09	(9)	(9)	(9)	(9)
Idaho.....	206	6,477	31.44	+1.0	+4	-7.2	-10.9
Ill.....	5,149	173,679	33.73	-3	+5	+3.6	+8.6
Ind.....	2,025	60,052	29.66	-7	-1.2	-9.7	-12.7
Iowa.....	1,253	41,481	33.11	-6	-4	-7.9	-4.6
Kans.....	1,062	33,132	31.20	+9	+1.7	-5.8	-5
Ky.....	1,576	20,429	12.96	-3	-2	-3	+1.5
La.....	1,367	37,254	27.25	-8	-6	-7.4	-6.3
Maine.....	815	24,852	30.62	-1	+1.1	-5.2	+4.1
Md.....	438	13,675	31.22	-1.1	-1.0	-4.6	+2.4
Mass.....	959	42,573	44.39	-3	-3	+2.0	+9.6
Mich.....	1,251	43,105	34.46	+3	+8	-1.5	+2.5
Minn.....	947	35,680	37.68	+1.0	+2.5	+2	+11.3
Miss.....	1,456	32,288	22.18	-2	(9)	+8.3	+106.4
Mo.....	5,000	76,000					
Mont.....	324	11,159	34.44	+1.2	+2.3	+5.5	+19.9
Nebr.....	447	13,115	29.34	+4	+9	-10.1	-2.0
Nev.....	28	1,142	(9)	(9)	(9)	(9)	(9)
N. H.....	269	8,267	30.73	-7	-1.3	+7	+10.4
N. J.....	534	17,669	33.46	0	+9	-2.2	+11.1
N. Mex.....	246	7,135	29.00	0	-3	-7.2	-8.5
N. Y.....	2,920	114,249	39.13	+8	+2.8	+2.0	+9.0
N. C.....	2,334	43,475	18.63	+1	+1.4	+3.6	+18.9
N. Dak.....	113	3,653	32.33	-1.7	-1.8	-9.6	+2.0
Ohio.....	3,017	81,465	27.00	-4	(9)	-5.7	-9
Okl.....	1,847	63,487	34.37	+1	+8.9	-3.2	+14.6
Oreg.....	370	17,114	46.25	-8	-7	-5	+11.7
Pa.....	18,700	378,548	20.22	-8	-1	-8.0	-1.9
R. I.....	103	3,233	31.39	(9)	(9)	(9)	(9)
S. C.....	922	18,665	20.24	+8	+6	+6.8	+18.5
S. Dak.....	220	4,872	22.15	-1.3	-8	+3.3	+5.7
Tenn.....	1,537	30,727	19.99	+3	+1	-3	-1.2
Tex.....	4,625	112,671	24.36	(9)	(9)	-8	-7
Utah.....	127	4,940	38.90	-8	-2.9	-1.6	-6.5
Vt.....	144	4,102	28.49	-1.4	-1.4	-10.0	-8.2
Va.....	954	17,302	18.14	0	+7	-1.5	+9.4
Wash.....	583	31,551	54.12	-2	+4.3	-10.9	+25.6
W. Va.....	823	17,265	20.98	-4	-1.8	-1	-6.6
Wis.....	1,400	41,105	29.36	-9	-2	-8.2	-2.9
Wyo.....	112	4,356	38.89	-1.8	+3.6	-11.1	-4.0

¹ For definitions of terms, see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent programs administered without Federal participation. Data exclude program administered without Federal participation in Connecticut, which administers such program concurrently with program under the Social Security Act. Alaska and Delaware do not administer aid to the blind. All data subject to revision.

² Under plans approved by Social Security Board.

³ For description of concurrent program, see the *Bulletin*, April 1945, p. 26.

⁴ Not computed. Average payment not calculated on base of less than 50 recipients; percentage change, on less than 100 recipients.

⁵ Increase of less than 0.05 percent.

⁶ Estimated.

⁷ Decrease of less than 0.05 percent.

agencies that refer to examination of the incapacitated parent, 5 specify that the examiner shall be "licensed"—a "licensed doctor of medicine or osteopathy" (1 agency); designated by the agency or in accordance with agency standards (2); approved by the county medical society (1); and "designated" by the county medical advisory committee (1). In 5, examination is made by a "qualified" or "responsible" physician, although 1 agency excludes the family physician as an examiner. Three agencies re-

fer to the possible need for specialists' services. Six will accept reports from clinics, hospitals, and other medical institutions.

Medical examination report forms, varying in structure and content, are prescribed in 13 agencies. Four ask about the patient's family and 9 about his employment history. All ask about the physical findings, and 3 about the patient's mental status. All ask the examiner to recommend treatment—type and probable duration, estimated costs, results expected, and so

on. All the forms provide space for the examiner's occupational recommendations. Two ask whether the parent's incapacity deprives the children of parental support or care.

Nine agencies provide for reexamination of the incapacitated parent—5 at stated intervals. In 3, the nature of the illness and the judgment of the physician determine when the reexamination is to be made. In 1, if the incapacity is not permanent, the local office determines when the reexamination is to be made.

Table 5.—Aid to dependent children: Recipients and payments to recipients, by State, June 1945¹

State	Number of recipients		Payments to recipients		Percentage change from—					
	Families	Children	Total amount	Average per family	May 1945 in—			June 1944 in—		
					Number of—		Amount	Number of—		Amount
					Families	Children		Families	Children	
Total.....	255,674	646,801	\$12,133,500	\$47.46	-0.1	(²)	+0.8	-1.8	-0.7	+8.1
Total, 49 States ²	255,577	646,575	12,129,940	47.46	-1	(²)	+8	-1.7	-7	+8.1
Alabama.....	5,077	14,045	127,107	25.04	+2	+4	+2	+9.8	+11.2	+12.7
Alaska.....	31	95	1,665	(³)	(³)	(³)	(³)	(³)	(³)	(³)
Arizona.....	1,417	4,083	55,997	39.52	-1.0	-1.3	-1.1	-5	-4	+2.8
Arkansas.....	4,585	12,044	131,534	28.69	-2.5	-2.3	-2.4	-5.1	-4.9	+5
California.....	6,552	16,525	532,046	81.20	+6	+5	+1.2	-3.2	-4.3	+4.6
Colorado.....	3,208	8,751	170,721	53.22	-2.0	-2.2	-8	-7.5	-5.3	+38.9
Connecticut.....	2,017	5,123	156,099	77.39	+1.4	+1.2	+6	+10.3	+9.6	+17.9
Delaware.....	271	779	18,395	67.88	+4	+6	+2.6	+11.1	+12.9	+38.1
District of Columbia.....	599	1,857	35,911	59.95	-1.2	-1.7	-1.0	+4.0	+6.9	+20.5
Florida ⁴	5,476	13,548	183,431	33.50	+2.7	+2.9	+3.0	+75.4	+84.7	+101.1
Georgia.....	3,935	9,851	98,201	24.96	-7	-6	-5	-1.9	+4	-1.0
Hawaii.....	516	1,614	30,622	59.34	+8	+3.0	+2.2	-8.8	-8.0	+1.6
Idaho.....	1,191	3,198	43,395	36.44	-2.5	-3.5	-3.4	-19.1	-2	-20.9
Illinois.....	19,826	47,443	988,634	49.87	(⁵)	+1	+2	-0.7	-5.1	+40.6
Indiana.....	6,053	14,109	220,776	36.47	-1.9	-1.3	-1.2	-18.2	-15.2	-13.0
Iowa.....	3,056	7,636	83,166	27.21	-1.1	-1.2	-1.3	+3	+3.0	+2.3
Kansas.....	2,860	7,274	140,525	49.13	-2.2	-1.4	-1.0	-14.7	-14.3	-8.3
Kentucky ⁵	4,730	12,704	102,751	21.72	+1	-1	-1	+12.1	+9.1	+9.6
Louisiana.....	9,120	23,505	407,786	44.71	-6	-4	+7	-8.4	-8.2	+1.8
Maine.....	1,318	3,697	83,976	63.71	-5	-7	-4	-7.4	-8.2	+3.8
Maryland.....	2,875	8,251	107,890	37.53	+6	+4	+3	+2.2	+3.0	+4.2
Massachusetts.....	7,161	17,632	575,197	60.32	-1	-4	-4	-2	-1	+6.3
Michigan.....	12,591	30,417	758,617	60.25	+1	+2	+1	-2.2	-1.4	-1.9
Minnesota.....	4,697	11,889	196,869	41.91	-2.7	-2.1	-2.4	-13.9	-11.2	-9.8
Mississippi.....	2,837	7,293	73,508	25.91	+7	+1.0	+9	+3.1	+4.6	+27.7
Missouri.....	10,913	28,080	367,962	33.72	+4	+9	+7	-1.1	+3.0	+1.6
Montana.....	1,299	3,310	58,620	45.13	-8	+1	+3.3	-10.0	-7.7	+21.5
Nebraska ⁶	2,220	5,185	72,788	32.79	-1.9	-2.1	-2.2	-18.9	-18.3	-18.2
Nevada.....	68	131	1,895	28.71	(³)	(³)	(³)	(³)	(³)	(³)
New Hampshire.....	745	1,844	50,937	68.37	-8	-1.3	-9	+8.3	+6.1	+35.6
New Jersey.....	3,238	8,087	189,481	58.52	-7	-1	+4	-15.8	-12.6	+3.7
New Mexico.....	2,542	6,862	98,018	38.56	+2.9	+1.2	+4	+16.4	+8.3	+23.2
New York.....	18,948	44,120	1,413,221	74.58	+1.4	+1.5	+3.6	+1.2	+2.5	+3.6
North Carolina.....	6,118	15,747	151,646	24.79	-2	+6	+1.1	-5.5	(³)	+10.5
North Dakota.....	1,468	4,078	80,687	54.96	-1.4	-1.4	-1.5	-10.4	-9.4	+8.7
Ohio.....	7,391	20,083	401,106	54.27	-1.5	-1.4	-1.2	-9.4	-8.2	-3.5
Oklahoma.....	14,793	35,433	565,365	34.16	+6	+1.1	+3.1	+9.2	+8.3	+9.9
Oregon.....	1,244	3,018	98,853	79.46	-1	-2	+5	+4.2	+2.4	+14.6
Pennsylvania.....	21,913	58,240	1,396,022	63.71	-3	-4	+1.7	-4.6	-3.8	+15.8
Rhode Island.....	1,234	3,200	83,723	67.85	+2	+1.5	+1.3	+12.4	+11.5	+19.2
South Carolina.....	3,687	10,755	89,143	24.18	+2	-1	+2	+7.4	+7.0	+12.3
South Dakota.....	1,446	3,350	58,436	40.41	-1.0	-1	+1.0	-4.3	-5.2	+19.9
Tennessee.....	11,008	28,682	332,750	30.23	-4	(³)	(³)	(³)	+1.0	-2.1
Texas.....	11,096	24,291	220,810	20.80	+1.3	+1.5	+1.3	+3.8	+3.8	+2.6
Utah.....	1,847	4,890	135,267	73.24	-5	-5	-5	-1.5	-4	+9
Vermont.....	576	1,481	19,878	34.51	+3	+3	+2	-1.4	-3	+2.8
Virginia.....	3,454	9,811	102,100	29.56	-1	+1	+8	-6.5	-6.1	+8.0
Washington.....	3,543	8,761	319,575	90.20	+1.5	+1.8	+3.3	+7.5	+7.6	+17.6
West Virginia.....	7,128	19,875	232,886	32.67	+5	+6	+4	+3.9	+5.5	+5.0
Wisconsin.....	5,475	13,318	300,683	54.92	-4.3	-4.0	-3.8	-14.8	-14.6	-5.4
Wyoming.....	283	776	16,829	59.47	-5.4	-5.9	+15.9	-19.4	-16.6	+11.3

¹ For definitions of terms, see the *Bulletin*, July 1945, pp. 27-28. Figures in italics represent programs administered without Federal participation. Data exclude programs administered without Federal participation in Florida, Kentucky, and Nebraska, which administer such programs concurrently with programs under the Social Security Act. All data subject to revision.

² Under plans approved by Social Security Board.

³ Decrease of less than 0.05 percent.

⁴ Not computed. Average payment not calculated on base of less than 50 families; percentage change, on less than 100 families.

⁵ For description of concurrent program, see the *Bulletin*, April 1945, p. 26.

⁶ Increase of less than 0.05 percent.

Employment Security

Unemployment Compensation

June activities.—Claims and benefit payments showed substantial May-June increases for the Nation as a whole and for the majority of States. In relation to a year earlier, initial claims more than doubled, continued claims rose 92 percent, and benefit payments, 85 percent. Cut-backs in war industries continued to be the biggest factor in the increases.

Although benefit expenditures rose steadily in the second quarter, funds available for benefits reached \$6.7 billion by the end of June. April-June collections were 25 percent higher than in the preceding quarter. Interest of \$31.2 million was earned on the balances in the Federal unemployment trust fund. For each dollar collected, 7 cents was paid in benefits, as compared with 8 cents in the January-March quarter and 26 cents since benefits were first payable.

All but 9 States reported increases from May in initial claims. Of these 9, California and Pennsylvania ranked third and fifth, respectively, among

all 51 States according to number of initial claims filed. Decreases in continued claims occurred in 15 States, of which only 2, Maryland and Pennsylvania, were included in the upper half of the States if arrayed according to continued-claims loads. The numbers of initial and continued claims filed and the average weekly number of beneficiaries were the lowest ever reported by the District of Columbia, and Alaska reported fewer continued claims than ever before.

Michigan rose to first place in the number of continued claims filed and was exceeded only by New York in number of initial claims filed. Michigan also reported the largest average benefit payment—\$19.46—for the quarter ended June 30; this amount was more than \$2 above the national average.

Each of eight States reported more than 10,000 initial claims during June. These eight accounted for more than three-fourths of the national total.

Lay-offs in aircraft plants were reported in seven States—Georgia, Indiana, Kansas, New Jersey, New York, Oklahoma, and Tennessee. New York's 6-percent increase in initial claims was due to a continuance of

lay-offs in the needle trades, cut-backs in aircraft production, curtailment of arms production, and the beginning of a new benefit year on June 3. The new benefit year in New York, however, did not bring the sizable increase in claimants ordinarily found in States at the beginning of benefit years. The transition procedure set up allows at least some of the unem-

Table 2.—Average weekly number of veterans paid readjustment allowances, and amount of benefits paid, by State,¹ June 1945²

State ¹	Average weekly number of veterans	Amount of benefits paid
Total, June 1945.....	31,855	\$3,572,009
Alabama.....	515	59,857
Alaska.....	0	0
Arizona.....	210	25,597
Arkansas.....	640	74,436
California.....	2,174	251,727
Colorado.....	60	6,500
Connecticut.....	561	62,572
Delaware.....	44	4,373
District of Columbia.....	278	27,586
Florida.....	322	35,422
Georgia.....	606	78,423
Hawaii.....	3	377
Idaho.....	9	1,481
Illinois.....	1,176	146,410
Indiana.....	643	63,344
Iowa.....	389	48,585
Kansas.....	102	11,615
Kentucky.....	516	67,444
Louisiana.....	123	12,996
Maine.....	192	21,680
Maryland.....	92	10,127
Massachusetts.....	843	93,032
Michigan.....	773	94,034
Minnesota.....	474	51,380
Mississippi.....	165	20,578
Missouri.....	501	54,774
Montana.....	44	4,670
Nebraska.....	32	4,285
Nevada.....	13	1,532
New Hampshire.....	140	15,694
New Jersey.....	2,055	233,770
New Mexico.....	31	3,070
New York.....	3,172	334,795
North Carolina.....	701	80,554
North Dakota.....	8	1,158
Ohio.....	202	29,502
Oklahoma.....	67	7,599
Oregon.....	73	7,469
Pennsylvania.....	3,708	381,432
Puerto Rico.....	3,629	386,278
Rhode Island.....	246	26,911
South Carolina.....	397	44,769
South Dakota.....	36	4,277
Tennessee.....	1,000	127,967
Texas.....	3,470	403,188
Utah.....	36	3,932
Vermont.....	30	3,260
Virginia.....	156	19,673
Washington.....	66	6,605
West Virginia.....	860	85,794
Wisconsin.....	278	29,277
Wyoming.....	2	298

Table 1.—Summary of unemployment compensation operations, June 1945 and July 1944-June 1945

Item	June 1945			July 1944-June 1945		
	Number or amount	Percentage change from—		Number or amount	Percentage change from—	
		May 1945	June 1944		July 1943-June 1944	July 1942-June 1943
Initial claims.....	269,457	+22.6	+128.3	1,688,181	+8.7	-47.1
New.....	219,176	+32.8	+156.7	1,226,680	+14.4	(1)
Additional ²	50,282	-8.2	+65.0	461,501	(1)	(1)
Continued claims.....	809,982	+31.0	+91.5	5,951,632	+5.8	-64.3
Waiting-period ³	176,179	+42.8	+118.7	1,093,909	+6.7	-53.8
Compensable.....	633,803	+28.1	+85.1	4,857,723	+5.6	-66.1
Weeks compensated ⁴	500,757	+32.0	+66.2	4,446,829	+4.4	-68.2
Total unemployment ⁵	506,425	+33.6	+70.5	4,016,714	+4.2	-68.8
Part-total unemployment ⁶	9,314	+19.5	-15.2	95,807	-24.4	-72.1
Partial unemployment ⁷	34,061	+17.6	+45.6	300,238	+8.0	-61.5
First payments ⁸	106,038	+84.4	+119.0	591,641	+11.4	-53.4
Exhaustions ⁹	8,108	-2.3	-1.5	103,954	-0.9	-79.5
Weekly average beneficiaries.....	129,405	+32.0	+66.2	85,516	+4.4	-68.2
Benefits paid ¹⁰	\$2,218,011,149	+37.4	+85.2	\$71,208,567	+16.7	-59.6
Funds available as of June 30.....	\$6,684,715,617	+4	+24.0			

¹ Data not available for all States.

² Excludes Florida, Maryland, Ohio, Texas, and Wisconsin, which have no provision for filing additional claims, and also Indiana and Pennsylvania, before April 1945.

³ Beginning April 1945 excludes Maryland, which has no provision for filing waiting-period claims.

⁴ Excludes Connecticut for June; data not reported.

⁵ Excludes New York because data not reported and Montana and Pennsylvania, which have no provisions for partial and part-total unemployment.

⁶ Based on 46 States reporting comparable data.

⁷ Excludes Wisconsin; data not comparable.

⁸ Based on 49 States reporting comparable data.

⁹ Based on 48 States reporting comparable data.

¹⁰ Excludes Wisconsin, data not comparable; also Wyoming, prior to April 1945.

¹¹ Based on 47 States reporting comparable data.

¹² Unadjusted for voided benefit checks and transfers under interstate combined wage plan.

¹³ Adjusted for voided benefit checks and transfers under interstate combined wage plan.

¹ Includes Puerto Rico.

² Represents activities under provisions of title V of the Servicemen's Readjustment Act of 1944. Data compiled from reports for weeks ended during month, corrected to July 26, 1945.

Source: Data reported to Readjustment Allowance Division, Veterans Administration, by unemployment compensation agencies in 48 States, the District of Columbia, Hawaii, and Alaska. Includes data reported by Veterans Administration for Puerto Rico.

ployed to file claims before the first of June.

Pennsylvania also began a new benefit year in June. Although initial claims decreased 23 percent from the number filed in May, they exceeded April claims by 385 percent. The May figure was inflated by claims filed by miners who were unemployed for a few weeks because of a labor dispute.

Employment Service*

Labor-market developments.—In June the total civilian labor force, which stayed close to the 1944 level in the first part of 1945, was more

* Data from Reports and Analysis Service, War Manpower Commission, and from published releases of other Government agencies.

than a million less than in June 1944 and more than 3 million under the 6-year June peak in 1942. This drop was entirely among men, since the numbers of women in the labor force in the first 6 months of 1945 have been above the levels of corresponding months in the preceding 5 years.

Nonfarm employment accounted for nearly 700,000 fewer persons

Table 3.—Number of beneficiaries, number of weeks compensated, and amount of benefits paid, by State, June 1945

[Data reported by State agencies, corrected to July 26, 1945]

Social Security Board region and State	Beneficiaries			Weeks compensated for specified types of unemployment				Benefits paid ¹		
	Average weekly number	Percentage change from—		All types	Total	Part-total ²	Partial ³	Amount	Percentage change from—	
		May 1945	June 1944						May 1945	June 1944
Total.....	120,405	+32.0	+66.2	560,757	506,425	9,314 ⁴	34,081	\$9,676,967	+37.4	+85.2
Region I:										
Connecticut.....	2,180	+42.8	+61.0	9,445	(⁵)	(⁵)	(⁵)	169,680	+38.2	+59.6
Maine.....	1,943	+28.1	+235.0	8,420	6,127	88	2,205	116,776	+27.5	+380.6
Massachusetts.....	3,383	-1.4	-11.9	14,658	13,518	77	1,063	281,624	+17.7	+11.4
New Hampshire.....	274	-7.5	+7.9	1,188	1,044	8	136	13,728	+8.7	+26.1
Rhode Island.....	2,271	+5.3	+9.3	9,839	8,180	0	1,659	155,511	+6.3	+11.2
Vermont.....	90	+7.1	-39.6	390	376	0	8	5,919	+9.4	-27.7
Region II-III:										
Delaware.....	291	-3.0	+159.8	1,260	1,003	15	242	19,556	-5.5	+294.8
New Jersey.....	5,271	+19.0	+15.8	22,842	20,132	28	2,682	364,869	+19.6	+21.4
New York.....	18,917	+34.3	+49.1	81,972	80,480	(⁵)	(⁵)	1,516,589	+50.6	+64.7
Pennsylvania.....	2,325	+9.5	+23.0	10,075	10,075	(⁵)	(⁵)	170,138	+16.6	+35.9
Region IV:										
District of Columbia.....	209	-25.9	-53.2	906	886	17	3	16,099	-25.8	-52.2
Maryland.....	1,729	+1.5	+21.1	7,493	5,403	61	2,029	117,884	+9.0	+19.8
North Carolina.....	1,046	+16.9	+49.4	4,531	4,314	1	216	40,054	+17.1	+52.7
Virginia.....	913	+94.7	0	3,957	3,312	338	307	37,972	+87.5	-1.8
West Virginia.....	647	+15.7	-40.3	2,804	1,975	0	829	41,340	+10.6	-38.9
Region V:										
Kentucky.....	1,306	+24.4	+23.0	5,659	5,154	276	229	55,645	+24.3	+28.7
Michigan.....	28,969	+73.2	+442.1	125,533	124,279	326	928	2,449,530	+74.8	+465.4
Ohio.....	1,450	+62.0	-1	6,284	5,852	109	323	90,706	+66.0	+7
Region VI:										
Illinois.....	14,162	+51.2	+35.9	61,369	54,327	2,850	4,192	1,088,093	+51.1	+43.9
Indiana.....	3,498	+92.5	+166.8	15,156	13,957	132	1,070	244,446	+96.1	+191.1
Wisconsin.....	647	+32.0	-10.6	2,802	2,039	123	640	41,539	+35.0	-3.2
Region VII:										
Alabama.....	1,305	+11.0	+69.9	5,655	5,575	73	7	68,439	+11.1	+96.0
Florida.....	2,619	+44.7	+255.4	11,348	11,014	256	78	146,875	+47.5	+269.4
Georgia.....	813	+2.0	+77.1	3,521	3,313	20	188	42,230	+2.1	+108.4
Mississippi.....	482	+48.3	+55.0	2,990	1,559	36	495	20,895	+33.7	+68.0
South Carolina.....	450	+3.9	+47.1	1,951	1,899	31	21	19,597	+5.7	+37.8
Tennessee.....	1,255	+3.0	-48.4	5,440	5,084	133	223	61,127	+3.5	-48.4
Region VIII:										
Iowa.....	572	+2.5	+39.9	2,479	2,201	197	81	30,927	+6.0	+60.8
Minnesota.....	443	-11.4	-12.1	1,910	1,662	112	145	24,893	-11.6	-13.5
Nebraska.....	115	+36.9	-20.1	500	450	3	47	5,678	+35.9	-16.6
North Dakota.....	9	(⁵)	(⁵)	39	14	8	17	389	-57.6	-51.9
South Dakota.....	51	(⁵)	(⁵)	223	180	4	39	2,174	+14.2	+130.1
Region IX:										
Arkansas.....	238	+1.7	+11.2	1,031	982	32	17	11,459	+5.3	+8.0
Kansas.....	477	+43.2	-33.5	2,068	1,791	85	192	26,945	+52.7	-33.6
Missouri.....	1,157	+1.4	-38.8	5,013	3,010	84	1,019	68,073	+1.3	-62.9
Oklahoma.....	376	+44.1	-17.9	1,630	1,471	71	88	24,593	+61.8	-12.5
Region X:										
Louisiana.....	1,195	+18.3	+55.6	5,180	4,724	115	341	76,171	+20.7	+68.2
New Mexico.....	19	(⁵)	(⁵)	82	79	1	2	895	-18.3	+29.3
Texas.....	1,226	+16.1	+67.7	5,314	5,100	214	0	66,620	+20.6	+85.4
Region XI:										
Colorado.....	228	+53.0	-20.0	988	929	20	39	12,157	+73.6	-21.4
Idaho.....	165	+10.7	+26.0	717	709	0	0	7,769	(⁵)	+51.6
Montana.....	98	+17.6	-26.3	425	425	(⁵)	(⁵)	4,839	-24.4	-30.4
Utah.....	105	-16.7	-20.5	455	433	19	3	8,490	-17.1	-16.5
Wyoming.....	5	(⁵)	(⁵)	22	17	2	3	329	-8.1	+88.0
Region XII:										
Arizona.....	138	+38.0	+26.6	596	581	15	0	8,535	+42.1	+31.6
California.....	22,887	+10.9	+85.8	99,177	84,326	3,073	11,778	1,810,507	+11.4	+100.3
Nevada.....	42	(⁵)	(⁵)	182	175	5	2	2,611	-10.0	-22.8
Oregon.....	558	+27.7	+184.7	2,416	1,971	143	302	32,338	+29.9	+189.4
Washington.....	834	-20.1	+247.5	3,616	3,325	99	192	52,162	-20.3	+279.1
Territories:										
Alaska.....	21	(⁵)	(⁵)	90	90	0	0	1,406	-28.9	-47.5
Hawaii.....	1	(⁵)	(⁵)	4	3	0	1	46	-66.7	-91.7

¹ Excludes New York because data not reported, and Montana and Pennsylvania, which have no provisions for partial and part-total unemployment.

² Not adjusted for voided benefit checks.

³ Excludes Connecticut for June, data not reported.

⁴ Not computed, because fewer than 50 beneficiaries were reported in either or both periods.

⁵ Less than 0.05 percent.

than in June 1944, and about half a million fewer were in farm employment although the latter registered a larger than usual seasonal increase from May to June 1945. Nonfarm employment declined from May to June for the first time since the current series of estimates was started.

The fact that most of the decline took place among women suggests that a relatively large number who were laid off in May by cut-backs in war industries either left the labor force or were looking for work in June. Slightly more than a million persons were unemployed in June, about the same

number as in June of the 2 preceding years. The June unemployment estimates always reflect the influx of students looking for summer jobs.

Nonfarm placements.—The War Manpower Commission reported more than a million placements in June, an increase of 9.4 percent from the May number; almost a third of these placements were of women (325,000), a larger number than in any month since October 1944. More than 74,000 placements of World War II veterans were made, 4,500 more than in May but still the same proportion of the total—7 percent.

Table 4.—Initial and continued claims received in local offices, by State, June 1945

[Data reported by State agencies, corrected to July 25, 1945]

Social Security Board region and State	Initial claims				Continued claims				Com- pensable
	Total ¹	Percentage change from—		New	Total ²	Percentage change from—			
		May 1945	June 1944			May 1945	June 1944		
Total.....	269,457	+22.6	+128.3	219,175	809,982	+31.0	+91.5	633,803	
Region I:									
Connecticut.....	8,997	+110.9	+167.4	7,787	17,072	+74.9	+94.1	11,878	
Maine.....	1,401	-26.5	-1.2	1,185	9,404	+3.7	+168.6	8,090	
Massachusetts.....	10,394	+43.6	+77.0	7,480	23,068	+12.1	+23.0	17,086	
New Hampshire.....	386	-14.4	-27.4	280	1,625	-7	+21.1	1,378	
Rhode Island.....	3,401	+70.1	+26.7	2,947	10,973	+8.8	+17.8	9,833	
Vermont.....	162	+78.8	+130.3	142	557	+2.0	-26.9	422	
Region II-III:									
Delaware.....	985	+82.7	+624.3	875	1,634	+1.9	+211.2	1,406	
New Jersey.....	13,219	+27.8	+93.6	9,290	35,735	+33.6	+69.7	28,891	
New York.....	59,921	+5.7	+80.6	47,442	137,809	+56.1	+75.2	87,090	
Pennsylvania.....	17,907	-23.0	+188.5	17,675	26,355	-26.6	+43.5	15,424	
Region IV:									
District of Columbia.....	166	-14.0	-0.3	149	1,047	-21.6	-47.6	962	
Maryland.....	1,761	+52.2	+99.9	1,761	7,099	-1.1	+15.1	7,099	
North Carolina.....	1,116	-27.9	+20.4	880	5,981	+11.2	+21.1	5,081	
Virginia.....	752	-43.4	-19.4	743	4,476	+47.3	-1.6	3,890	
West Virginia.....	3,262	+82.0	+199.0	3,160	11,305	+115.2	+83.5	10,943	
Region V:									
Kentucky.....	2,485	+6.5	+93.1	2,270	11,346	+29.3	+66.8	10,535	
Michigan.....	40,613	+28.8	+501.6	33,661	160,547	+49.8	+543.6	137,627	
Ohio.....	6,553	+148.1	+233.7	6,553	11,407	+74.4	+49.3	7,410	
Region VI:									
Illinois.....	25,623	+36.1	+78.1	19,770	76,872	+35.9	+55.6	63,167	
Indiana.....	13,145	+302.1	(9)	10,162	21,696	+139.0	+257.8	14,985	
Wisconsin.....	2,140	+10.0	+272.2	2,140	5,717	+42.9	+52.9	3,676	
Region VII:									
Alabama.....	2,510	+112.9	+258.1	2,272	7,797	+30.5	+99.4	5,793	
Florida.....	2,041	+28.1	+80.9	2,041	14,081	+54.2	+184.7	13,595	
Georgia.....	1,431	+57.3	+166.0	915	5,259	+10.0	+102.3	4,010	
Mississippi.....	830	+22.1	+62.1	717	3,915	+35.9	+39.7	3,177	
South Carolina.....	551	-12.7	-8.8	444	2,933	-9.5	-1.4	2,600	
Tennessee.....	2,499	+15.4	+25.8	2,127	11,075	+9.8	-12.6	9,765	
Region VIII:									
Iowa.....	828	+66.6	+35.1	751	3,601	+9.4	+25.3	2,946	
Minnesota.....	966	+44.8	+76.3	850	3,348	+15.6	+23.2	2,415	
Nebraska.....	176	+51.7	-9.7	153	706	+11.9	+2.3	586	
North Dakota.....	37	(9)	(9)	29	110	-3.5	-9	98	
South Dakota.....	64	(9)	-15.8	57	396	-7.3	-14.3	379	
Region IX:									
Arkansas.....	828	+6.6	+59.5	745	2,852	-1.1	+22.9	2,627	
Kansas.....	1,350	+184.8	+147.3	1,213	3,518	+60.1	-8	2,856	
Missouri.....	3,876	+106.1	+13.0	3,490	9,342	+26.4	-37.5	7,070	
Oklahoma.....	2,130	+185.1	+206.9	1,998	5,060	+100.0	+45.7	4,050	
Region X:									
Louisiana.....	1,716	-2.2	+53.6	1,455	6,367	+2.7	+15.8	5,578	
New Mexico.....	72	+38.5	+10.8	62	276	-1.8	+35.3	241	
Texas.....	3,415	+97.9	+112.4	3,415	11,588	+28.3	+42.1	9,535	
Region XI:									
Colorado.....	231	+6.5	-30.8	211	1,351	+40.9	-25.7	1,261	
Idaho.....	154	+170.2	+156.7	134	778	-11.4	+44.6	635	
Montana.....	134	+25.2	+38.1	120	672	-3.2	-8.9	538	
Utah.....	117	+46.3	+9.3	72	460	-7.4	-9.4	410	
Wyoming.....	11	(9)	(9)	10	43	(9)	(9)	41	
Region XII:									
Arizona.....	804	+185.1	+332.3	779	1,649	+51.6	+83.8	1,361	
California.....	25,962	-7.0	+132.0	17,460	123,346	+9.5	+119.1	99,671	
Nevada.....	63	(9)	+26.0	40	242	-0.0	+15.2	214	
Oregon.....	1,086	+26.9	+168.1	587	3,036	-14.2	+104.6	2,458	
Washington.....	1,189	+28.5	+119.8	680	3,454	-20.3	+152.1	2,901	
Territories:									
Alaska.....	5	(9)	(9)	4	38	(9)	(9)	33	
Hawaii.....	2	(9)	(9)	2	4	(9)	(9)	4	

¹ Includes additional claims, except in Florida, Maryland, Ohio, Texas, and Wisconsin, which have no provision for filing additional claims.

² Includes waiting-period claims, except in Maryland, which has no provision for filing waiting-period claims.

³ Increase of more than 1,000 percent.

⁴ Represents first claim filed by a worker with respect to each period of total or part-total unemployment; Wisconsin has no provision for a benefit year.

⁵ Not computed, because fewer than 50 claims were reported in either or both periods.

Table 5.—Nonagricultural placements, by State, June 1945

War Manpower Commission region and State	Total	Women	Non-white
Total.....	1,041,526	325,309	184,809
Region I:			
Connecticut.....	12,525	4,006	820
Maine.....	7,008	2,323	321
Massachusetts.....	27,572	12,028	840
New Hampshire.....	2,724	1,286	1
Rhode Island.....	4,797	1,351	92
Vermont.....	1,908	907	0
Region II:			
New York.....	109,776	37,729	31,775
Region III:			
Delaware.....	2,383	764	571
New Jersey.....	30,132	12,547	5,031
Pennsylvania.....	64,727	19,535	8,408
Region IV:			
District of Columbia.....	4,423	2,180	2,630
Maryland.....	11,565	4,699	3,743
North Carolina.....	21,883	7,626	6,107
Virginia.....	25,232	8,424	7,866
West Virginia.....	11,791	3,372	788
Region V:			
Kentucky.....	18,858	4,166	3,119
Michigan.....	30,101	5,237	5,135
Ohio.....	63,425	18,568	12,329
Region VI:			
Illinois.....	50,717	19,258	8,662
Indiana.....	30,867	9,391	3,173
Wisconsin.....	26,546	12,599	828
Region VII:			
Alabama.....	20,359	5,890	5,899
Florida.....	17,969	6,970	4,770
Georgia.....	26,626	11,301	6,176
Mississippi.....	10,079	3,905	3,319
South Carolina.....	14,875	5,911	3,466
Tennessee.....	22,225	7,859	4,616
Region VIII:			
Iowa.....	12,030	4,138	343
Minnesota.....	20,794	6,118	410
Nebraska.....	7,274	2,180	432
North Dakota.....	1,908	347	66
South Dakota.....	1,838	608	74
Region IX:			
Arkansas.....	13,723	3,014	3,095
Kansas.....	12,674	3,379	1,595
Missouri.....	25,814	6,659	4,532
Oklahoma.....	15,147	3,198	1,761
Region X:			
Louisiana.....	10,262	2,194	4,066
New Mexico.....	4,770	905	316
Texas.....	62,451	14,431	15,325
Region XI:			
Colorado.....	12,597	3,217	330
Idaho.....	4,104	804	88
Montana.....	3,723	476	70
Utah.....	7,653	2,827	165
Wyoming.....	2,135	320	112
Region XII:			
Arizona.....	5,143	1,477	576
California.....	96,343	24,773	16,533
Nevada.....	3,818	794	416
Oregon.....	16,162	5,098	552
Washington.....	30,080	9,550	3,497

Old-Age and Survivors Insurance

Employers, Workers, and Taxable Wages, First Quarter, 1945

Covered employment during the first quarter of 1945 is estimated at 36.5 million, 5 percent more than in the fourth quarter of 1944 but only 1 percent more than in the first quarter of 1944. The small increase over the first quarter of the preceding year reflects the relative stability of employment and business conditions during the intervening period. The 5-percent increase from the number in the fourth quarter—the first reversal since 1941 of the usual seasonal decrease—did not indicate any substantial change in employment levels, but resulted rather from the operation of the \$3,000 limitation on taxable wages in the fourth quarter of 1944, when the limitation had a greater effect than in any previous year.

Both total and average taxable wages reached the highest levels since the beginning of quarterly tax reporting in 1938. Total taxable wages amounted to an estimated \$18.2 billion, 3.4 percent more than in the first quarter of 1944, and average taxable wages were an estimated \$500, or 2.0 percent more. These increases, however, were considerably smaller than those from the first quarter of 1943 to the first quarter of 1944 and reflect slight increases in wage rates.

The 2.1 million employers reporting wages paid represented a decrease of less than 1 percent from the number reporting wages paid during either the first or the last quarter of 1944.

Table 1.—Estimated average family benefits in force, by type of family, June 30, 1945

Family classification of entitled beneficiaries	Average family benefit
Retired worker families:	
Male primary only.....	\$24.10
Female primary only.....	19.30
Primary and wife.....	37.90
Primary and 1 child.....	35.40
Primary and 2 or more children.....	44.10
Survivor families:	
Widow (aged 65 or over) only.....	20.20
Widow and 1 child.....	34.20
Widow and 2 children.....	47.40
Widow and 3 or more children.....	50.40
1 child only.....	12.40
2 children.....	23.60
3 children.....	35.40
4 or more children.....	46.10
1 parent.....	13.20

Monthly Benefits in Force and Payments Certified, June 1945

Monthly benefits totaling \$23.6 million were in force for almost 1.3 million persons at the end of June (table 4). For the fourth consecutive month the number of benefits in force showed a net increase of more than 30,000 during the month.

Primary benefits represented 40 percent of the total number of benefits

in force, as against 50 percent in June 1941. Child's, wife's, and widow's current benefits made up 29 percent, 12 percent, and 11 percent, respectively, of the total number in force this June.

Almost 40,000 monthly benefits were awarded in June, only slightly more than in May. A decrease in the number of primary and wife's benefits was offset by an increase in all types of survivor monthly benefits.

The average benefit in force shows very little change from month to month, and average family benefits in force at the end of June (table 1)

Table 2.—Estimated number of employers and workers and estimated amount of taxable wages included under the old-age and survivors insurance program, by specified period, 1937-45

[Corrected to Aug. 8, 1945]

Calendar year and quarter	Employers reporting taxable wages ¹ (in thousands)	Workers with taxable wages during period ² (in thousands)	Taxable wages ³	
			Total (in millions)	Average per worker
1937.....	2,421	32,904	\$29,615	\$900
1938.....	2,239	31,822	26,502	833
1939.....	2,365	33,751	29,745	881
1940.....	2,520	35,393	32,974	932
1941.....	2,705	40,976	41,763	1,019
1942.....	2,703	46,928	52,939	1,128
1943.....	2,452	48,579	62,839	1,294
1944 ⁴	2,523	47,518	65,533	1,379
1938				
January-March.....	1,880	25,332	6,580	260
April-June.....	1,933	25,423	6,578	259
July-September.....	1,960	26,262	6,547	249
October-December.....	1,975	26,759	6,797	254
1939				
January-March.....	1,967	25,856	7,281	282
April-June.....	2,034	27,245	7,445	273
July-September.....	2,065	28,022	7,445	266
October-December.....	2,103	28,851	7,574	263
1940				
January-March.....	2,089	27,314	8,060	295
April-June.....	2,162	28,345	8,094	286
July-September.....	2,219	29,542	8,222	278
October-December.....	2,226	30,280	8,598	284
1941				
January-March.....	2,247	30,389	9,501	313
April-June.....	2,317	32,634	10,285	315
July-September.....	2,354	34,522	10,824	314
October-December.....	2,317	34,051	11,153	328
1942				
January-March.....	2,251	33,967	12,112	357
April-June.....	2,233	35,735	13,163	368
July-September.....	2,174	37,197	13,786	371
October-December.....	2,096	37,083	13,878	374
1943				
January-March.....	2,028	36,951	15,608	422
April-June.....	2,070	37,927	16,644	439
July-September.....	2,066	38,181	15,924	417
October-December.....	2,076	36,503	14,663	402
1944				
January-March.....	2,084	36,044	17,649	490
April-June.....	2,123	37,023	17,610	476
July-September.....	2,114	37,019	16,494	446
October-December.....	2,093	34,791	13,780	396
1945				
January-March.....	2,077	36,500	18,242	500

¹ Number corresponds to number of employer returns. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

² Excludes estimated duplication arising from recording of wages of some workers under more than 1 account. Quarterly estimates exclude workers whose earnings in covered employment were not reported in the quarter because of the \$3,000 limitation on taxable wages.

³ Includes nontaxable wages erroneously reported and wages not counted in determining insurance benefits. All wages over \$3,000 a year paid to a worker by a single employer are not taxable. Beginning with 1940 all wages in excess of \$3,000 a year received by any 1 worker are excluded in benefit computations.

⁴ Preliminary; figures for other years also subject to revision but to a relatively small extent as compared with those for 1944-45.

were about the same as at the end of May.

Monthly benefit payments of \$21.4 million were certified, about 2 percent more than in May. Lump-sum certifications totaled \$2.3 million, a drop of 8 percent.

Monthly Benefits and Lump-Sum Payments Awarded, January-June 1945

Almost 118,000 monthly benefits were awarded during the second quarter of 1945 (table 3), an increase of 13 and of 49 percent over those in the preceding quarter and in the second quarter of 1944. For each type of benefit, more awards were processed than in any preceding quarter.

The number of primary and of wife's benefits awarded increased 15 percent over those in the preceding quarter. Awards of primary benefits decreased considerably during the first 2 years of the war as employment opportunities for older workers improved, but since the beginning of 1944 the number has been rising as many older workers were unable to hold their jobs.

Awards of both widow's current and child's benefits increased 13 percent over the number in the preceding quarter and were 65 and 52 percent, respectively, more than in the second quarter of 1944. This increase is due

to the increase in number of insured workers and also of war deaths.

Almost 70,000 lump-sum death payments were awarded, 6 percent more

than in the preceding quarter and 42 percent more than in the second quarter of 1944. War deaths have been a factor in this increase, also.

Table 3.—Number of monthly benefits and lump-sum death payments awarded, by type of benefit and by quarter, 1940-45

[Corrected to July 16, 1945]

Year and quarter	Monthly benefits							Lump-sum death payments ¹
	Total	Primary	Wife's	Child's	Widow's	Widow's current	Parent's	
1940								
Jan.-Mar.	40,780	28,211	4,366	5,978	168	2,057	0	7,046
Apr.-June	67,824	33,955	8,468	17,408	885	6,885	223	19,074
July-Sept.	76,113	38,245	11,981	17,220	1,560	6,782	325	23,793
Oct.-Dec.	70,267	31,924	9,740	18,776	1,987	7,536	304	25,182
1941								
Jan.-Mar.	74,567	32,802	9,901	20,597	2,703	8,227	337	30,633
Apr.-June	66,074	28,879	8,962	18,021	2,617	7,278	317	28,210
July-Sept.	65,593	27,238	8,898	18,745	2,786	7,632	294	29,610
Oct.-Dec.	63,052	25,741	8,452	18,256	2,914	7,365	324	28,850
1942								
Jan.-Mar.	68,181	27,600	9,161	19,596	3,505	8,027	283	33,410
Apr.-June	67,679	26,878	8,649	19,991	3,600	8,134	337	35,428
July-Sept.	62,161	23,826	8,013	18,894	3,475	7,624	329	32,932
Oct.-Dec.	60,095	21,310	7,426	18,902	4,103	8,037	317	33,221
1943								
Jan.-Mar.	67,750	23,754	8,112	21,503	4,975	9,078	328	40,525
Apr.-June	69,757	23,803	8,372	22,811	5,051	9,387	333	43,108
July-Sept.	63,501	21,378	7,896	20,764	4,695	8,476	292	39,485
Oct.-Dec.	61,863	20,139	7,537	20,541	4,856	8,478	312	39,893
1944								
Jan.-Mar.	75,807	25,474	9,401	23,978	6,416	10,225	313	47,342
Apr.-June	79,003	27,907	10,150	24,442	6,086	10,067	351	48,976
July-Sept.	78,976	27,607	10,066	24,589	5,804	10,559	351	52,444
Oct.-Dec.	85,174	29,109	10,730	26,675	6,451	11,804	405	56,415
1945								
Jan.-Mar.	104,064	35,613	12,587	33,025	7,730	14,689	420	65,695
Apr.-June	117,857	41,116	14,454	37,208	7,954	16,614	511	69,755

¹ Under 1939 amendments.

Table 4.—Monthly benefits in force¹ in each payment status,² actions effected during the month, and payments certified, by type of benefit, June 1945

[Current month's data corrected to Aug. 25, 1945]

Status of benefit and action	Total		Primary		Wife's		Child's		Widow's		Widow's current		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
In force as of May 31, 1945	1,254,322	\$23,030,665	508,094	\$12,074,714	150,152	\$1,892,584	368,866	\$4,572,354	80,581	\$1,624,262	141,030	\$2,793,620	5,599	\$73,131
Current-payment status	1,079,975	19,663,405	420,926	10,060,303	129,126	1,639,485	341,133	4,233,167	79,112	1,594,540	104,184	2,064,099	5,494	71,811
Deferred-payment status	4,860	88,588	2,676	57,044	495	5,866	535	11,514	180	4,076	564	9,973	10	115
Conditional-payment status	169,487	3,278,672	84,492	1,957,397	20,331	247,233	26,798	327,673	1,289	25,646	36,282	719,548	96	1,205
Suspended	140,857	2,682,945	74,443	1,675,665	17,040	199,367	22,057	268,357	790	15,428	26,443	523,070	84	1,058
Frozen	28,630	595,727	10,049	281,702	3,491	47,866	4,741	59,316	499	10,218	9,839	196,478	11	147
Actions during June 1945:														
Benefits awarded	39,612	731,235	14,033	347,063	4,840	62,533	12,362	156,496	2,683	53,602	5,525	109,279	169	2,262
Entitlements terminated ³	9,162	164,433	2,931	71,115	1,456	18,184	2,856	37,134	265	5,233	1,614	32,221	40	546
Net adjustments ⁴	-93	9,294	-10	7,272	-15	998	-57	615	8	133	-18	295	-1	-19
In force as of June 30, 1945	1,284,679	\$23,606,761	519,186	\$12,357,934	153,521	\$1,937,931	378,315	\$4,692,331	83,007	\$1,672,764	144,923	\$2,870,973	5,727	\$74,828
Current-payment status	1,106,002	20,162,831	430,723	10,310,626	132,155	1,680,602	348,413	4,324,073	81,500	1,642,415	107,597	2,131,699	5,614	73,416
Deferred-payment status	4,983	90,462	2,719	57,799	497	5,766	976	12,033	185	4,077	591	10,612	15	175
Conditional-payment status	173,694	3,353,468	85,744	1,989,509	20,869	251,563	28,926	356,225	1,322	26,272	36,735	728,662	98	1,237
Suspended	144,085	2,735,911	75,229	1,694,788	17,222	201,512	24,099	295,850	808	15,737	26,640	526,934	87	1,090
Frozen	29,609	617,557	10,515	294,721	3,647	50,051	4,827	60,375	514	10,535	10,065	201,728	11	147
Payments certified in June ⁵	23,753,849		10,788,505		1,770,914		4,691,570		1,726,472		2,350,047			79,947

¹ Represents total benefits awarded after adjustment for subsequent changes in number and amount of benefits (see footnote 4) and terminations (see footnote 3), cumulative from January 1940.

² Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount which is less than current month's benefit. Benefit in deferred-payment status is one withheld entirely for a known period. Benefit in conditional-payment status is one withheld entirely for an indefinite period; if previously in current or deferred-payment status, it is a suspended benefit; otherwise it is a frozen benefit.

³ Benefits are terminated when a beneficiary dies or loses entitlement to benefits for the reasons specified in 1939 amendments, sec. 202.

⁴ Adjustments result from operation of maximum and minimum provisions of 1939 amendments, sec. 203 (a) and (b), and from other administrative actions.

⁵ Distribution by type of benefit estimated; includes retroactive payments.

⁶ Includes \$2,343,644 paid as lump-sum benefits under 1939 amendments (payable with respect to workers who died after December 1939, if no survivor could be entitled to monthly benefits for month in which worker died) and \$2,750 paid as lump-sum benefits under 1935 act (payable with respect to workers who died prior to January 1940).

Social and Economic Data

Social Security and Other Income Payments

June income payments to individuals rose 0.8 percent above the level of the preceding month and 4.2 percent above that of a year earlier. The increase is attributed primarily to the fact that Adjusted Service Certificates, issued in 1936 to veterans of World War I, expired in June and were redeemed. As a result, bonus payments to veterans rose from \$300,000 in May to \$108 million in June.

Social insurance and related payments were nearly one-third higher than in June 1944; military allowances, exclusive of servicemen's contributions, rose 16 percent, dividends and interest increased 10 percent,

while wages and salaries and other payments shown in table 1 increased less than 5 percent.

State Distribution of Income Payments, 1944

Total income payments in the continental United States in 1944 amounted to \$148.1 billion, rising 6.6 percent above the level a year earlier. This figure does not agree with the total shown in table 1, because income payments to members of the armed forces stationed outside the United States are not distributed by State of residence.

Per capita income rose 7.7 percent above the 1943 level, amounting to \$1,117 in 1944. In all except 5 States—Colorado, Iowa, Nevada, South Dakota, and Utah—per capita income was higher than in the preceding year. Declines in these 5 States may be attributed to reductions

in agricultural income. Per capita income in 1944 was below the 1942 level in only 1 State—Nevada. The range

Table 2.—Social insurance and related payments, public aid payments, and military allowances in the continental United States, in relation to total income payments, by State, 1944

State	Income payments		Payments as percent of total income payments		
	Total (in millions)	Per capita	Social insurance and related payments ¹	Public aid payments ²	Military allowances ³
Total..	\$148,090	\$1,117	1.3	0.6	4.2
Ala.....	1,847	655	1.1	.4	8.4
Ark.....	548	859	1.0	.1	4.8
Ariz.....	1,068	601	1.5	.7	10.2
Calif.....	12,948	1,480	1.4	.8	2.7
Colo.....	1,101	960	1.6	2.1	4.8
Conn.....	2,682	1,509	1.1	.3	2.8
Del.....	399	1,405	.8	.1	3.2
D. C.....	1,192	1,333	2.8	.2	3.6
Fla.....	2,198	929	1.4	.6	5.0
Ga.....	2,301	714	1.1	.5	7.4
Idaho.....	525	987	1.0	.9	3.9
Ill.....	10,121	1,309	1.3	.7	3.5
Ind.....	3,911	1,144	1.2	.6	4.0
Iowa.....	2,260	996	1.0	.9	4.5
Kans.....	1,867	1,052	1.2	.7	4.5
Ky.....	1,795	682	1.7	.5	7.5
La.....	1,946	768	1.1	.8	6.8
Maine.....	841	1,059	1.5	.8	4.0
Md.....	2,623	1,231	1.3	.3	3.8
Mass.....	5,407	1,299	1.5	.9	3.8
Mich.....	7,098	1,307	.9	.6	3.1
Minn.....	2,395	955	1.6	1.0	4.4
Miss.....	1,148	528	1.1	.4	10.4
Mo.....	3,559	991	1.2	1.0	5.2
Mont.....	514	1,105	1.5	1.0	3.8
Nebr.....	1,208	995	1.0	.8	4.1
Nev.....	196	1,256	1.2	.5	2.9
N. H.....	403	882	1.7	.8	5.2
N. J.....	5,842	1,402	1.5	.2	3.5
N. Mex.....	394	741	1.2	.8	7.0
N. Y.....	19,191	1,519	1.6	.4	3.4
N. C.....	2,435	689	.9	.3	6.9
N. Dak.....	501	949	.7	.8	3.7
Ohio.....	8,877	1,298	1.2	.6	3.7
Okl.....	1,748	846	1.2	1.8	6.8
Oreg.....	1,572	1,235	1.3	.7	3.4
Pa.....	10,830	1,171	1.3	.5	4.2
R. I.....	996	1,279	1.6	.4	3.6
S. C.....	1,219	634	1.2	.4	8.3
S. Dak.....	475	850	.9	1.0	4.3
Tenn.....	2,193	764	1.4	.6	7.1
Tex.....	6,080	884	1.0	.8	6.0
Utah.....	606	998	1.1	1.4	4.4
Vt.....	305	981	1.4	.6	4.1
Va.....	2,841	880	1.0	.2	4.7
Wash.....	3,048	1,483	1.1	1.1	2.5
W. Va.....	1,356	790	1.7	.6	7.0
Wis.....	3,225	1,084	1.3	.7	3.0
Wyo.....	255	992	1.0	.6	3.8

Table 1.—Income payments to individuals, by specified period, 1936-45¹

[In millions; data corrected to Aug. 8, 1945]

Calendar year and month	Total ²	Compensation of employees ³	Entrepreneurial income, net rents, and royalties	Dividends and interest	Public aid		Social insurance and related payments ⁴	Military allowances ⁵
					Work relief ⁶	Direct relief ⁷		
1936.....	\$68,024	\$40,027	\$13,003	\$9,785	\$2,155	\$672	\$955	-----
1937.....	72,365	44,689	14,162	9,891	1,639	836	1,020	-----
1938.....	66,135	40,845	12,369	8,233	2,094	1,008	1,529	-----
1939.....	70,793	43,870	13,441	8,891	1,870	1,071	1,616	-----
1940.....	76,210	48,218	14,313	9,175	1,578	1,097	1,801	-----
1941.....	92,710	60,202	18,599	9,761	1,213	1,112	1,744	-----
1942.....	117,311	70,970	23,933	9,771	586	1,061	1,844	-----
1943.....	143,089	101,813	27,161	10,389	57	940	1,703	\$136
1944.....	156,723	112,043	28,017	11,195	-----	944	1,970	2,648
June.....	13,088	9,337	2,361	929	-----	78	160	222
July.....	13,054	9,379	2,271	935	-----	78	166	224
August.....	13,096	9,383	2,298	940	-----	78	165	231
September.....	13,011	9,346	2,237	947	-----	78	168	234
October.....	13,176	9,398	2,341	951	-----	79	171	237
November.....	13,291	9,446	2,395	958	-----	79	175	238
December.....	13,376	9,530	2,384	964	-----	80	177	240
January.....	13,538	9,589	2,472	970	-----	80	185	241
February.....	13,723	9,625	2,608	980	-----	80	187	243
March.....	13,660	9,621	2,531	990	-----	80	194	244
April.....	13,562	9,545	2,491	1,002	-----	80	195	249
May.....	13,538	9,486	2,504	1,012	-----	81	202	253
June.....	13,643	9,487	2,475	1,024	-----	81	211	257

¹ Compensation of employees; entrepreneurial income, net rents, and royalties; and dividends and interest adjusted for seasonal variation.

² Includes veterans' bonus; June payments were \$108 million.

³ Wage and salary payments minus deductions for employee contributions to social insurance and related programs. Includes industrial pensions; payments to the armed forces; and, beginning with February 1944, mustering-out pay.

⁴ Earnings of persons employed by NYA, WPA, and CCC.

⁵ Payments to recipients under 3 special public assistance programs and general assistance, value of food stamps under food stamp plan, and farm subsistence payments.

⁶ Payments of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, workmen's compensation, State unemployment compensation, railroad unemployment insurance, veterans' pensions and compensation, and, beginning with September 1944, readjustment allowances to unemployed veterans.

⁷ Government portion of payments to dependents of members of the armed forces; portion deducted from military pay included under compensation of employees as part of military pay rolls.

Source: U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

¹ Payments under programs of old-age and survivors insurance, railroad retirement, Federal, State, and local retirement, veterans' pensions, workmen's compensation, State unemployment compensation, railroad unemployment insurance, and servicemen's readjustment allowances.

² Payments to recipients under 3 special public assistance programs and general assistance.

³ Include payments under the emergency maternity and infant care program, and voluntary contributions by members of the armed forces.

Source: Income payments by State of residence from Department of Commerce, *Survey of Current Business*, August 1945; percentages based on data from Department of Commerce, Bureau of Foreign and Domestic Commerce.

in 1944 payments was from \$1,519 in New York to \$528 in Mississippi; in 17 States, per capita income was in excess of the national average.

Payments under social insurance and related programs represented 1.3 percent of total income payments in 1944, about the same proportion as in 1943. Residents of the District of Columbia received 2.8 percent of their income payments under these programs; social insurance and related payments in the District were heavily weighted by disbursements to former Federal employees from the civil-service retirement and disability fund. In 5 States, social insurance and related payments represented less than 1 percent of all income payments in the State.

Public aid payments represented only 0.6 percent of total income payments in 1944, as compared with 0.7 percent in 1943. Larger sums were expended for public aid than for social insurance and related activities in Colorado, Oklahoma, North Dakota, South Dakota, and Utah, while in Washington the expenditures in the two categories were about equal. Payments for public aid amounted to at least 1 percent of all income payments in 9 States.

Military allowances, including the portion deducted from military pay in addition to the Government contribution shown in table 1, amounted to 4.2 percent of total income payments in 1944. Such allowances in Arkansas and Mississippi amounted to more than 10 percent of the total income of those States; in 14 other States, including all Southern States except Virginia, they were 5 percent or more. Military allowances in Washington, on the other hand, represented only 2.5 percent. Nine of the 10 States with lowest per capita incomes in 1944 ranked highest in proportion of income from military allowances. In fact, all but 1 of the 16 States in which military allowances were 5 percent or more of income payments held very nearly the same position when these percentages were arrayed from high to low as when arrayed from low to high by per capita income. This relationship is presumably due in part to the fact that allowances are uniform throughout the country and thereby benefit low-income States to a greater extent.

Estimated Pay Rolls in Covered Employment, First Quarter, 1945

Total wages and salaries of \$28.7 billion in the first quarter were 2.6 percent below the fourth-quarter level but were higher than in the first quarter of 1944 because expansion of pay rolls of the armed forces more than offset loss of earnings due to lay-offs.

Pay rolls covered by the old-age and survivors insurance program were only 2.9 percent above the level of a year earlier as compared with a 5.8-

percent increase in total wages and salaries; the proportion of all wages and salaries paid in covered employment therefore decreased correspondingly from 66 to 64 percent. Wages paid under State unemployment compensation programs represented 60.5 percent of all wages and salaries in the first quarter of 1945, as compared with 62 percent in the corresponding quarter of 1944.

Wages paid to railroad workers were 3.9 percent higher than in the first quarter of 1944 and represented 3.9 percent of all wages and salaries, as against 4.0 percent a year earlier.

Table 3.—Estimated pay rolls in employment covered by selected programs¹ in relation to all wages and salaries, by specified period, 1937-45

[Data corrected to Aug. 1, 1945]

Period	All wages and salaries ²	Old-age and survivors insurance ³	Railroad retirement ⁴	State unemployment compensation ⁵	Railroad unemployment insurance ⁶
Amount (in millions)					
Calendar year:					
1937	\$45,053	\$32,770	\$2,265	(7)	\$2,265
1938	41,247	29,026	2,010	26,200	2,010
1939	44,313	32,222	2,149	29,069	2,149
1940	48,771	35,668	2,272	32,450	2,272
1941	60,885	45,417	2,585	42,146	2,585
1942	80,793	58,147	3,337	54,796	3,337
1943	102,932	70,152	4,058	66,126	4,058
1944	113,031	73,914	4,466	69,463	4,466
1945					
Jan.-Mar.	27,146	17,915	1,088	16,884	1,088
Apr.-June	27,990	18,289	1,108	17,244	1,108
July-Sept.	28,402	18,533	1,137	17,330	1,137
Oct.-Dec.	29,493	19,177	1,133	18,005	1,133
1945					
Jan.-Mar.	28,727	18,434	1,130	17,389	1,130
Percent of all wages and salaries					
Calendar year:					
1937	100.0	72.7	5.0	(7)	5.0
1938	100.0	70.4	4.9	63.5	4.9
1939	100.0	72.7	4.8	65.6	4.8
1940	100.0	73.1	4.7	66.5	4.7
1941	100.0	74.6	4.4	69.2	4.4
1942	100.0	72.0	4.1	67.8	4.1
1943	100.0	68.2	3.9	64.2	3.9
1944	100.0	65.4	4.0	61.5	4.0
1945					
Jan.-Mar.	100.0	66.0	4.0	62.2	4.0
Apr.-June	100.0	65.3	4.0	61.6	4.0
July-Sept.	100.0	65.3	4.0	61.0	4.0
Oct.-Dec.	100.0	65.0	3.8	61.0	3.8
1945					
Jan.-Mar.	100.0	64.2	3.9	60.5	3.9

¹ Include data for Alaska and Hawaii. Pay roll in these 2 Territories covered by State unemployment compensation programs has ranged from \$18 million to \$78 million per quarter.

² Data from Bureau of Foreign and Domestic Commerce. Quarterly data have been adjusted to correct for distribution of bonus payments. Represents estimated wages and salaries paid in cash and in kind in continental United States and, in addition, pay rolls of armed forces in all other areas. Includes employee contributions to social insurance and retirement programs. Because estimates of all wages and salaries are built up by industry groups, amount in covered and noncovered employment cannot be determined precisely. While the estimated amount in covered employment included within this total differs from pay rolls in covered employment as given in this table, the difference is so small that it does not invalidate relationship of covered pay rolls

to total. Commerce estimates relate to calendar quarters; estimates for pay rolls covered by old-age and survivors insurance, railroad retirement, and unemployment compensation relate to pay periods ended in calendar quarters.

³ Taxable wages plus estimated nontaxable wages in excess of \$3,000 earned in employment covered by program.

⁴ Taxable wages plus nontaxable wages in excess of \$300 per month.

⁵ Taxable wages plus nontaxable wages earned in employment covered by program; excludes earnings of railroad workers covered by State laws through June 1939. Data for 1944 and 1945 estimated.

⁶ Estimated for 1937-June 1939 when railroad workers were covered by State unemployment compensation laws.

⁷ Not available.

Social Insurance and Related Payments

June 1945 payments.—Payments under social insurance and related programs totaled \$136 million in June, 5.7 percent more than in May and 50

percent above the amount a year earlier (table 4). Payments were greater than in June 1944 for all programs except Rhode Island sickness compensation, which fell 10 percent. Unemployment insurance payments reg-

istered the sharpest relative increases over May levels, rising 39 percent. Compared with levels a year earlier, however, the greatest relative gain occurred in monthly payments to survivors of veterans, which more than

Table 4.—Selected social insurance and related programs, by specified period, 1936-45

[In thousands; data corrected to Aug. 6, 1945]

Calendar year and month	Total	Retirement, disability, and survivor programs										Unemployment insurance programs					
		Monthly retirement and disability benefits ¹				Survivor benefits						Rhode Island sickness compensation ¹¹	State unemployment compensation laws ¹¹	Service-men's Readjustment Act ¹¹	Railroad Unemployment Insurance Act ¹²		
		Social Security Act ³	Railroad Retirement Act ³	Civil Service Commission ⁴	Veterans Administration ⁵	Monthly			Lump-sum ⁶								
						Social Security Act ⁶	Railroad Retirement Act ³	Veterans Administration ⁷	Social Security Act ⁸	Railroad Retirement Act ³	Civil Service Commission ⁴					Veterans Administration ¹⁰	
Number of beneficiaries																	
1944																	
June.....	458.5	159.9	79.2	814.4	399.2	4.2	336.5	12.3	1.3	0.5	4.5	8.3	77.9	-----	0.4		
July.....	466.7	160.2	79.7	833.9	403.2	4.3	339.0	11.9	1.4	.9	4.4	7.6	65.7	-----	.3		
August.....	475.6	160.7	80.1	854.7	411.1	4.3	344.1	14.2	1.7	1.2	4.2	7.0	72.3	-----	.6		
September.....	482.2	161.2	80.9	875.6	421.8	4.3	350.9	14.2	1.6	1.2	3.7	5.9	63.3	3.3	.7		
October.....	492.3	162.1	82.2	901.4	434.4	4.3	358.7	15.5	1.6	1.2	3.8	5.6	63.6	8.3	.8		
November.....	500.6	162.8	83.2	929.6	445.7	4.3	364.7	14.6	1.5	1.5	3.9	5.0	71.4	12.0	.9		
December.....	508.7	163.5	83.9	955.7	454.3	4.3	372.7	13.0	1.4	1.4	3.6	4.5	74.9	16.8	1.2		
1945																	
January.....	522.6	163.9	84.8	982.3	467.0	4.3	380.9	15.4	1.5	1.5	3.7	4.4	104.8	23.7	1.9		
February.....	533.9	164.9	85.4	1,008.1	479.4	4.2	386.3	15.4	1.4	1.5	3.4	4.3	100.1	26.1	1.8		
March.....	547.1	165.5	86.0	1,037.8	494.7	4.3	405.7	18.7	2.0	2.8	3.8	5.0	103.2	27.8	1.6		
April.....	558.4	166.0	86.6	1,070.3	510.0	4.3	459.5	17.0	1.9	2.0	3.7	5.3	87.2	28.3	1.2		
May.....	570.6	166.4	87.3	1,105.6	523.7	4.3	500.9	18.5	2.2	2.3	4.4	7.2	98.0	28.1	.8		
June.....	582.0	167.1	88.0	1,144.2	537.0	4.4	537.3	17.0	1.9	2.0	4.6	7.1	129.4	31.9	.8		
Amount of benefits ¹³																	
1936.....	\$458,896	\$683	\$51,630	\$299,001	-----	\$2	\$99,992	-----	-----	\$4,062	\$3,395	-----	\$131	-----	-----		
1937.....	501,664	40,001	55,664	299,660	-----	444	96,370	\$1,278	-----	4,401	3,684	-----	2,132	-----	-----		
1938.....	969,800	96,766	56,118	301,277	-----	1,383	101,492	10,478	-----	4,604	3,405	-----	293,726	-----	-----		
1939.....	1,043,089	107,282	58,331	307,512	-----	1,451	109,192	13,896	1,926	4,952	3,553	-----	429,298	-----	\$5,696		
1940.....	1,188,702	\$21,074	114,166	62,019	317,851	\$7,784	1,448	105,696	11,736	2,497	5,810	3,960	518,700	-----	15,961		
1941.....	1,085,488	55,141	119,912	64,933	320,561	25,454	1,559	111,799	13,328	3,421	6,170	4,352	344,321	-----	14,537		
1942.....	1,130,721	80,305	122,806	68,115	325,265	41,702	1,603	111,193	15,038	4,114	6,108	4,120	344,084	-----	6,268		
1943.....	921,463	97,257	125,795	72,961	331,350	57,763	1,704	116,133	17,830	5,560	7,344	4,350	\$2,857	79,643	917		
1944.....	1,119,588	119,009	129,707	78,081	456,279	76,942	1,765	144,302	22,146	6,591	7,863	4,784	5,035	62,385	\$4,119		
1944																	
June.....	90,312	9,810	10,712	6,454	36,258	6,316	146	11,457	1,712	518	625	457	596	5,225	26		
July.....	96,347	9,999	10,798	6,536	41,925	6,364	147	12,589	1,656	557	468	392	547	4,348	21		
August.....	96,362	10,236	10,843	6,506	40,369	6,549	148	12,547	1,968	661	712	476	502	4,808	38		
September.....	97,743	10,289	10,889	6,549	41,524	6,775	151	13,004	1,962	602	684	398	422	4,246	40		
October.....	100,061	10,573	11,040	6,659	42,271	7,012	147	13,038	2,138	570	708	386	404	4,350	748		
November.....	102,457	10,770	10,982	6,673	43,548	7,172	147	12,924	2,043	523	827	368	364	4,918	1,148		
December.....	105,564	10,903	11,064	6,788	44,485	7,237	147	13,813	1,836	598	693	391	330	5,192	2,016		
1945																	
January.....	111,868	11,257	11,065	6,856	46,993	7,507	143	13,891	2,189	599	830	371	318	7,299	2,438		
February.....	111,874	11,548	11,184	6,810	46,971	7,755	143	14,404	2,181	534	788	319	290	6,435	2,413		
March.....	119,350	11,925	11,253	6,962	49,039	8,094	146	16,042	2,634	764	1,257	388	362	7,242	3,140		
April.....	121,230	12,155	11,270	6,974	50,306	8,297	151	18,450	2,370	748	968	370	387	6,179	2,541		
May.....	128,584	12,460	11,247	7,119	51,950	8,478	147	22,085	2,563	874	1,102	440	540	7,044	2,601		
June.....	135,878	12,701	11,379	7,137	53,500	8,707	152	24,000	2,346	716	956	460	535	9,677	3,572		

¹ Old-age retirement benefits under all acts, disability retirement benefits under Railroad Retirement and Civil Service Retirement Acts, and disability payments to veterans.

² Primary and wife's benefits and benefits to children of primary beneficiaries. Partly estimated.

³ Age and disability annuitants and pensioners as of 20th of month. Payments represent amounts certified, minus cancellations. Widows receiving both survivor and death-benefit annuities are counted twice, but 2 or more individuals sharing 1 death-benefit annuity are counted as 1. Monthly payments to survivors include annuities to widows under joint and survivor elections and 12-month death-benefit annuities to widows and next of kin.

⁴ Retirement and disability benefits include survivor benefits under joint and survivor elections; not adjusted for suspension of annuities of persons reemployed under National Defense Acts of June 28, 1940, and Jan. 24, 1942. Payments principally from civil-service retirement and disability fund but include also payments from Canal Zone and Alaska Railroad retirement and disability funds administered by Civil Service Commission. Monthly retirement payments include accrued annuities to date of death paid to survivors. Refunds to employees leaving the service are not included, but will be summarized twice a year in the *Bulletin*.

⁵ Veterans' pensions and compensation.

⁶ Widow's, widow's current, parent's, and child's benefits. Partly estimated.

⁷ Payments to widows, parents, and children of deceased veterans.

⁸ Number of decedents on whose account lump-sum payments were made, and amount of such payments.

⁹ For the period January 1937-August 1939, includes payments to covered workers at age 65 totaling \$9.9 million, which are not survivor payments.

¹⁰ Payments for burial of deceased veterans.

¹¹ Number represents average weekly number of beneficiaries. Annual amounts under State unemployment compensation and Rhode Island sickness compensation laws adjusted for voided benefit checks; monthly amounts unadjusted. Data under Servicemen's Readjustment Act are readjustment allowances to unemployed veterans only, and exclude payments to self-employed veterans; data exclude Alaska prior to May 1945.

¹² Number represents average number of persons receiving benefits for unemployment in a 14-day registration period. Annual amounts adjusted for underpayments and recoveries of overpayments; monthly figures unadjusted.

¹³ Payments to individuals: amounts certified, under Social Security and Railroad Retirement Acts (including retroactive payments) and Railroad Unemployment Insurance Act; disbursements minus cancellations, under Civil Service Commission and Veterans Administration programs; checks issued by State agencies, under State unemployment insurance and Rhode Island sickness compensation programs, and under Servicemen's Readjustment Act.

¹⁴ Preliminary estimate.

doubled; the sharpest absolute increase—\$17 million—occurred in monthly disability payments to veterans. The total amount of disbursements (including readjustment allowances) to veterans and survivors of veterans represented 60 percent of all social insurance and related payments shown in the table.

Unemployment insurance payments, as a whole, continued the general upward trend in June, although payments under the Railroad Unemployment Insurance Act moved downward for the third consecutive month. State unemployment compensation payments rose 37 percent above May disbursements and 85 percent above the amount a year earlier. Beneficiaries under State unemployment compensation laws averaged 129,400 a week during June, nearly two-thirds more than the June 1944 average. The number of beneficiaries under the railroad unemployment insurance program, which has declined steadily since January, was, however, twice the number in June 1944. Payments to unemployed railroad workers, amounting to \$42,000, rose 65 percent in the same period. The greatest relative increase from May in unemployment insurance payments occurred under the readjustment allowance program; payments of \$3.6 million were 43 percent higher. Some 31,900

unemployed veterans received these allowances during an average week in June, 3,800 more than in May.

Rhode Island sickness compensation payments decreased slightly from the May amount, but the May-June volume reflected the start of a new benefit year in April. Payments dropped 10 percent from those in June 1944.

June payments under the Social Security Act totaled \$12.7 million for retirement and \$8.7 million for monthly survivor benefits; an additional \$2.3 million was disbursed in lump-sum payments. Retirement and monthly survivor benefits were, respectively, 29 and 38 percent higher than in June 1944, while lump-sum payments increased 37 percent. About 582,000 individuals, 27 percent more than in June 1944, received monthly retirement payments; 537,000 beneficiaries, an increase of more than one-third, received monthly survivor benefits; and an additional 17,000 survivors of fully insured wage earners received lump-sum payments.

Cumulative disbursements by the Railroad Retirement Board for retirement and unemployment insurance passed the \$1 billion mark in June. About 167,000 retired workers received \$11.4 million in benefits, a rise of 4.5 and 6.2 percent, respectively, above June 1944 figures. Survivors of 4,400 former railroad work-

ers received \$152,000 in monthly payments, and lump-sum payments of \$716,000 were made with respect to another 1,900 deceased railroad workers.

Disbursements by the Veterans Administration continued upward in June. An estimated \$53.5 million was paid in monthly benefits to 1.1 million disabled veterans. Monthly survivor payments of about \$24 million, made to 537,300 widows, parents, and children of deceased veterans, were slightly more than double the amount disbursed in June 1944.

By risk, 1944.—During 1944, payments to retired and disabled persons accounted for the great bulk of all social insurance and related payments (table 5). More than three-fifths of all disability payments were made to veterans. Workmen's compensation accounted for most of the remaining disability cash benefits; payments for medical care under workmen's compensation are not included in table 5. Outside of the provisions for veterans and for work-connected disabilities, and the cash sickness program in Rhode Island, there was in 1944 almost no social insurance protection against the risk of disability.

While the veterans' program and workmen's compensation payments accounted also for a significant portion of total payments to survivors, more than a fourth of the monthly survivor payments were made under old-age and survivors insurance. Survivor benefits represented slightly more than a fifth of all social insurance and related payments.

Retirement benefits under old-age and survivors insurance increased 22 percent from 1943 payments and represented more than a fifth of all retirement payments under the social insurance and related programs included in the table.

Unemployment insurance benefits represented only a small fraction (4 percent) of all social insurance and related payments in 1944, a year of peak employment. Workers covered by State systems received more than 90 percent of the \$87 million disbursed under the unemployment insurance programs. Payments to veterans under provisions of the Servicemen's Readjustment Act, which were first made in September, amounted to more than \$4 million by the end of the year.

Table 5.—Payments under social insurance and related programs, 1944¹

[In thousands; corrected to Aug. 1, 1945]

Program	Total	Retirement payments	Disability payments	Survivor payments		Unemployment insurance payments	Refunds
				Monthly	Lump-sum		
All programs.....	\$1,689,346	\$530,575	\$670,756	\$290,089	\$56,684	\$67,086	\$74,156
Old-age and survivors insurance.....	218,097	119,009	76,942	22,146	.....	.....	.....
Railroad retirement.....	138,063	98,667	31,040	1,765	6,591	.....	.....
Federal civil-service retirement.....	128,100	60,511	17,490	80	7,863	.....	42,156
Other Federal retirement.....	73,000	73,000	(²)	(²)	(²)	.....	.....
State and local government ³	215,600	135,300	14,000	19,000	15,300	.....	32,000
Veterans' pensions.....	605,365	44,088	412,191	144,302	4,784	.....	.....
Workmen's compensation.....	239,000	.....	5,035	48,000	(⁴)	.....	.....
Rhode Island sickness compensation ⁵	5,035	.....	.....	.....	.....	.....	.....
State unemployment compensation ⁶	62,385	.....	.....	.....	.....	62,385	.....
Railroad unemployment insurance ⁷	582	.....	.....	.....	.....	582	.....
Servicemen's readjustment allowances ⁸	4,119	.....	.....	.....	.....	4,119	.....

¹ Data partly estimated; total differs from totals in tables 1 and 4 for the following reasons: (1) data in table 1 include estimates by Department of Commerce for State and local government retirement systems and for workmen's compensation; Social Security Board estimates for these 2 programs, which are lower than Department of Commerce estimates, are used in table 5; (2) Board estimates for workmen's compensation in this table exclude cost of medical care; (3) some programs included in this table are excluded in table 4.

² Includes a small but unknown amount of disability and survivor payments under noncontributory and contributory systems administered by agencies other than the Civil Service Commission for Federal employees.

³ For fiscal year, which usually ends in June.

⁴ Payments to Spanish-American War veterans retired for age.

⁵ A small but unknown amount of lump-sum payments included with monthly payments.

⁶ Adjusted for voided benefit checks.

⁷ Adjusted for underpayments and recoveries of overpayments.

⁸ Allowances to unemployed veterans under provisions of title V of the Servicemen's Readjustment Act of 1944. Excludes payments to self-employed veterans and data for Alaska, because data not available.

Financial and Economic Data

During 1944-45, industrial production continued at a high level, and social security financial operations were characterized by high receipts and low expenditures, as in previous war years. This permitted social security trust funds to absorb \$2.6 billion of the increase in the interest-bearing public debt and augmented by that amount assets for meeting future expenditures during reconversion.

The year, 1944-45 marked the end of the period in social security financing dominated almost wholly by wartime influences, however, and exhibited some of the characteristics expected of the reconversion period—rising benefit payments and a cessation of the wartime rise in contributions. Old-age and survivors insurance contributions leveled off and those for unemployment compensation declined. Unemployment benefits also reversed direction and rose, and the yearly increase in old-age and survivors insurance benefits was the largest dollar amount in any war year.

Appropriations and Expenditures

Federal expenditures for Board programs in 1944-45 amounted to \$702 million, \$21 million more than in 1943-44 (table 8). Old-age and survivors insurance expenditures—a third of the total amount—rose 30 percent. Grants for the public assistance programs all decreased however—old-age assistance and aid to dependent children by 7 percent each, and aid to the blind by 4 percent. Improved economic conditions presumably were responsible for these reductions, which reverse the previous upward trend exhibited since the beginning of the program.

Social Insurance Contributions

Federal insurance contributions and Federal unemployment taxes were higher in 1944-45 than in 1943-44, the previous peak year; however, both are leveling off, since the rate of increase was slight and less than in any other year (table 7). Federal unemployment taxes of \$185 million were 3 percent more than in 1943-44, and Federal insurance contributions of \$1,310 million were only 1 percent more, although the largest amount of Federal insurance contributions collected

in any month, \$315.6 million, was collected in May 1945.

State unemployment compensation collections of \$1,252 million, on the other hand, registered the first fiscal-year decline in the history of the system. The 7-percent decrease was due mainly to the larger number of States with experience-rating provisions in operation in 1944-45 than in 1943-44.

Old-Age and Survivors Insurance Trust Fund

Both receipts and expenditures of the fund reached new highs during 1944-45, and net assets increased by \$1,167 million (table 9). Receipts in the form of appropriations of Federal insurance contributions and interest on investments amounted to \$1,434 million, 3 percent more than in the preceding year. Expenditures, consisting of benefit payments and reimbursements to the Treasury for expenses incurred in connection with the administration of old-age and survivors insurance, totaled \$267 million, an increase of 23 percent.

Benefit payments continued their steady climb, from \$16.6 million in July 1944 to \$22.4 million in June 1945. They totaled \$240 million for the year, 30 percent more than in 1943-44

and 61 percent more than in 1942-43.

Securities of \$1,556 million matured on June 30; \$726 million represented 2½-percent special Treasury notes, and \$830 million, 1½-percent special certificates of indebtedness. The fund acquired \$1,948 million of securities in June, of which \$1,648 million were 1½-percent special certificates of indebtedness maturing June 30, 1946, and \$300 million were 2½-percent publicly offered Treasury bonds, series 1967-72. The average interest rate on fund investments dropped from 2.186 percent on May 31 to 2.127 percent on June 30.

The fund's total investments in Government securities increased by \$1,137 million during the year, holdings of 1½-percent special certificates of indebtedness increasing more than 00 percent. Securities totaling \$2,723 million were purchased; 89 percent or \$2,423 million of these were 1½-percent special certificates of indebtedness, and 11 percent or \$300 million were 2½-percent regular Treasury bonds. Redemptions amounted to \$1,586 million, of which 55 percent or \$860 million were 1½-percent special certificates of indebtedness and 45 percent or \$726 million were 2½-percent special Treasury notes. Because

Table 6.—Cash income and outgo: ¹ Total Federal and Social Security Board programs, fiscal years 1940-45

[In millions]

Classification	1940-41	1941-42	1942-43	1943-44	1944-45
Cash income.....	\$9,298	\$15,374	\$25,485	\$48,254	\$51,332
Social security.....	1,681	2,112	2,507	2,821	2,751
Federal insurance contributions.....	691	896	1,131	1,292	1,310
Federal unemployment taxes.....	98	120	158	180	185
Deposits in unemployment trust fund ²	892	1,096	1,218	1,349	1,256
Other.....	7,617	13,262	22,978	45,433	48,581
Cash outgo.....	14,031	34,717	79,253	94,296	96,296
Social security ³	1,025	955	804	740	773
Social Security Board.....	419	472	474	488	455
Administrative expenses.....	26	25	26	24	24
Grants to States.....	393	447	448	464	431
Public assistance ⁴	330	376	393	428	396
Unemployment compensation administration ⁵	63	70	55	36	34
State withdrawals from unemployment trust fund.....	537	368	174	60	71
Old-age and survivors insurance benefits.....	64	110	149	185	240
Administrative expenses, Department of the Treasury ⁶	5	6	7	7	7
Other.....	13,006	33,762	78,449	93,556	95,523

¹ Cash income and outgo represent flow of cash, exclusive of borrowed cash, into and out of Treasury. Data include expenditures from trust funds, exclude transactions between Government agencies (i. e., transfers to trust accounts from general funds, investment of funds in special issues, repayment of sums borrowed) and other transactions, such as issuance or redemption of public debt obligations other than redemptions of adjusted-service bonds. Data thus differ from those in *Daily Statement of the U. S. Treasury*, which presents Government's budgetary position for 1944-45 as follows: total receipts \$48,457 million and total expenditures \$100,405 million.

² Deposits by States of contributions collected under State unemployment compensation laws.

³ Federal expenditures administered chiefly by

Social Security Board. Includes administrative expenses of Bureau of Census in connection with searching census records for old-age and survivors insurance; these expenses amounted to less than \$500,000 in each fiscal year.

⁴ Old-age assistance, aid to dependent children, aid to the blind.

⁵ Includes operating costs of the U. S. Employment Service, administered by Social Security Board in fiscal years 1940-41, 1941-42, and July-November 1942.

⁶ In connection with old-age and survivors insurance.

Source: Total Federal cash income and outgo from *Bulletin of the Treasury Department*, other data from *Daily Statement of the U. S. Treasury*.

most of the newly acquired securities carried lower interest rates, the average interest rate of all fund investments was only 2.127 percent by the end of 1944-45, as against 2.195 percent at the end of 1943-44. During the year, interest of \$124 million was credited to the fund.

High receipts and low expenditures during the last 4 fiscal years have increased fund assets by \$4.2 billion. Although assets increased by more than a billion dollars in 1944-45, the fund's rate of growth is declining because of the aggregate size of the fund and because production and employment have passed their peak.

Unemployment Trust Fund

A significant reversal of the hitherto steady increase in State deposits in the fund occurred in 1944-45; deposits of \$1,256 million were 7 percent less than the year before (table 10). Although State accounts earned \$113 million of interest, \$25 million more

than in 1943-44, the decline in deposits resulted in a smaller increase in State account balances than during 1943-44. Withdrawals by States for benefit payments also reversed direction, rising by 17 percent during the year to \$70 million. Monthly withdrawals during the latter half of the fiscal year were considerably higher than in the first half, ranging from \$3.9 million in July 1944 to \$8.3 million in June 1945.

Because of the excess of receipts over expenditures during the past 4 years, assets of the fund increased by \$5 billion to \$7.3 billion on June 30. Of this amount, \$6.7 billion was credited to State accounts and \$600 million to the railroad unemployment insurance account.

At the end of June, \$6,837 million of 1½-percent special certificates of indebtedness matured, \$28 million of which were acquired during the month. In addition the fund acquired \$6,747 million of certificates

bearing the same interest rate as the \$28 million but maturing on June 30, 1946, and \$150 million of publicly offered 2½-percent Treasury bonds, series 1967-72.

During the fiscal year, total investments of the fund increased \$1,437 million, a smaller amount than net acquisitions in 1943-44. Purchases of securities totaled \$8,424 million, of which \$8,124 million or 96 percent represented 1½-percent special certificates, and \$300 million, 2½-percent regular Treasury bonds, series 1966-71 and 1967-72. Redemptions of 1½-percent special certificates totaled \$6,987 million. On June 30, 1945, the fund held \$7.3 billion in Federal securities, bearing an average interest rate of 1.923 percent, as compared with 1.903 percent a year earlier.

The two trust funds absorbed \$2.6 billion of the increase in the public debt during the year and on June 30, 1945, held Government securities in the sum of \$13.9 billion.

Table 7.—Social insurance taxes under selected programs, by specified period, 1936-45

[In thousands]

Period	Old-age and survivors insurance		Unemployment insurance		
	Federal insurance contributions	Taxes on carriers and their employees	State unemployment contributions ¹	Federal unemployment taxes	Railroad unemployment insurance contributions
Cumulative through June 1945	\$7,162,514	\$1,448,552	\$8,408,744	\$1,096,681	\$558,288
Fiscal year:					
1936-37	194,346	345	(?)	\$ 57,751	—
1937-38	514,406	150,132	(?)	\$ 90,104	—
1938-39	530,358	169,257	803,007	100,869	—
1939-40	604,694	120,967	853,955	107,523	49,167
1940-41	690,555	136,942	888,450	97,677	68,162
1941-42	895,619	170,012	1,093,901	119,944	84,738
1942-43	1,130,495	208,795	1,217,737	158,361	102,710
1943-44	1,282,122	267,065	1,553,272	179,909	121,518
1944-45	1,309,919	285,038	1,251,938	184,544	131,993
1944					
June	5,107	64,877	20,037	1,089	34,832
July	51,751	1,395	172,482	2,948	57
August	293,279	14,182	160,332	11,727	1,099
September	3,814	56,936	4,369	666	33,105
October	55,427	1,464	169,221	3,160	48
November	267,340	14,414	143,760	11,154	1,110
December	3,974	55,235	5,899	919	31,761
1945					
January	33,275	1,156	132,093	13,232	31
February	222,056	4,679	127,303	114,251	724
March	17,640	65,484	5,162	9,729	31,471
April	41,157	1,465	158,365	2,845	359
May	315,615	8,587	167,886	12,337	2,215
June	4,591	60,041	5,085	1,576	30,013

¹ Represents contributions plus penalties and interest collected from employers and contributions from employees, deposited in State clearing accounts. Cumulative total differs from total contributions in table 4, p. 36, because of various adjustments in the latter. Data reported by State agencies, corrected to July 26, 1945.

² Includes \$40,561,886 subsequently refunded to States which did not collect taxes on 1936 pay rolls and in which employers paid full tax to the Federal Government.

³ Not available for separate years but included in cumulative total.

Source: Daily Statement of the U. S. Treasury, unless otherwise noted.

Table 8.—Federal appropriations and expenditures under programs administered by the Social Security Board, by specified period, 1943-45

[In thousands]

Item	Fiscal year 1943-44		Fiscal year 1944-45	
	Appropriations ¹	Expenditures through June ²	Appropriations ¹	Expenditures through June ²
Total	\$660,072	\$680,747	\$709,659	\$701,972
Administrative expenses	25,701	31,828	25,611	31,553
Federal Security Agency, Social Security Board	25,451	24,122	25,446	24,096
Department of Commerce, Bureau of the Census	250	414	165	107
Department of the Treasury	(?)	7,292	(?)	7,350
Grants to States	449,773	464,322	444,214	430,584
Old-age assistance	\$ 343,350	360,628		333,604
Aid to dependent children	\$ 56,885	57,036	409,800	52,780
Aid to the blind	\$ 10,115	10,344		9,958
Unemployment compensation administration	39,423	36,313	34,414	34,242
Benefit payments, old-age and survivors insurance	³ 184,597	184,597	³ 239,834	239,834

¹ Excludes war emergency programs.

² Excludes unexpended balance of appropriations for previous fiscal year. Includes, for 1944-45, additional appropriations provided in First Deficiency Appropriation Act, 1945, approved Apr. 25, 1945.

³ Based on checks cashed and returned to Treasury. Includes expenditures from unexpended balance of appropriations of preceding fiscal year.

⁴ See footnotes 8-10.

⁵ Represents appropriations and expenditures for salaries and some miscellaneous items; excludes other miscellaneous expenditures of the Board made from Federal Security Agency appropriations. Includes amounts expended by the Board in administration of old-age and survivors insurance, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

⁶ Represents amounts expended by Treasury in administration of title II of Social Security Act and Federal Insurance Contributions Act, reimbursed from old-age and survivors insurance trust fund to general fund of Treasury.

⁷ Not available because not separated from appropriations for other purposes.

⁸ Reflects transfers among the 3 programs.

⁹ Appropriations include \$4,095,411 for 1943-44 and \$4,417,892 for 1944-45 transferred from War Manpower Commission as reimbursement for expenditures for employment office facilities and services.

¹⁰ Represents actual benefit payments from old-age and survivors insurance trust fund.

Source: Various Federal appropriation acts and 1945-46 budget (appropriations); Daily Statement of the U. S. Treasury (expenditures).

Table 9.—*Status of the old-age and survivors insurance trust fund, by specified period, 1936-45*

(In thousands)

Period	Receipts		Expenditures		Assets			
	Appropriations to trust fund ¹	Interest received ²	Benefit payments ³	Reimbursement for administrative expenses ⁴	Net total of U. S. Government securities acquired ⁵	Cash with disbursing officer at end of period	Credit of fund account at end of period	Total assets at end of period
Cumulative through June 1945...	\$7,021,297	\$528,513	\$783,486	\$152,043	\$6,546,281	\$35,092	\$32,007	\$6,613,381
Fiscal year:								
1936-37	265,000	2,262	27	—	267,100	73	62	267,235
1937-38	387,000	15,412	5,404	—	395,200	1,931	113,012	777,243
1938-39	503,000	26,951	13,892	—	514,900	3,036	66	1,180,302
1939-40	550,000	42,489	15,805	12,288	560,900	6,098	500	1,744,698
1940-41	688,141	55,958	64,342	26,840	642,500	10,778	6,238	2,397,615
1941-42	895,619	71,007	110,281	26,766	821,034	20,384	5,176	3,227,194
1942-43	1,130,495	87,403	149,304	27,492	1,035,200	24,495	6,966	4,288,296
1943-44	1,292,122	103,177	184,597	32,607	1,172,036	21,384	16,136	5,446,391
1944-45	1,309,919	123,854	239,834	26,950	1,137,411	35,092	32,007	6,613,381
1944								
June	5,107	99,828	17,171	3,424	397,000	21,384	16,136	5,446,391
July	51,751	4	16,630	2,437	-12,000	24,747	57,462	5,479,079
August	293,279	—	18,118	2,437	—	25,620	329,312	5,751,802
September	3,814	3,714	18,402	2,437	279,964	28,898	34,760	5,738,492
October	55,427	—	19,204	1,869	—	28,686	69,328	5,772,846
November	267,340	—	18,996	1,869	—	28,680	313,806	6,019,320
December	3,974	2,530	19,248	1,869	290,000	29,418	8,455	6,004,707
1945								
January	33,275	4,938	20,032	2,307	-13,000	30,376	36,371	6,020,582
February	222,056	—	19,431	2,307	—	32,936	234,129	6,220,899
March	17,640	7,673	22,751	2,307	200,000	32,256	55,065	6,221,155
April	41,157	—	21,820	2,370	—	33,427	50,860	6,238,121
May	315,615	—	22,848	2,370	—	33,569	341,115	6,528,518
June	4,591	105,000	22,354	2,370	392,447	35,092	32,007	6,613,381

¹ Equals taxes collected under Federal Insurance Contributions Act.² Interest on investments held is credited annually in June; on investments redeemed, in month of redemption.³ Based on checks cashed and returned to Treasury.⁴ Figures for October-December 1944, in addition to usual bookkeeping adjustment for April-June quarter, include additional bookkeeping adjustments

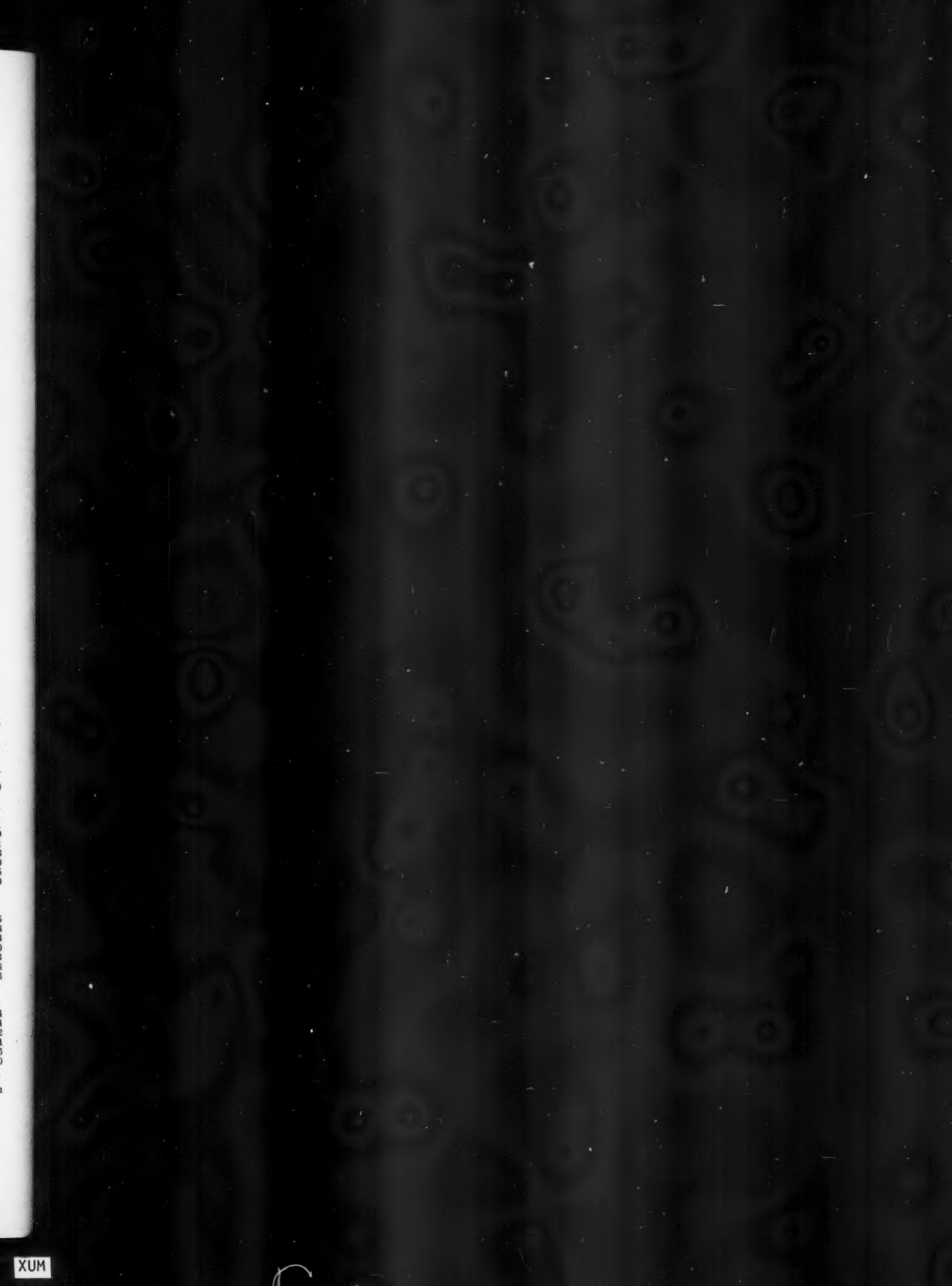
for expenditures for fiscal years 1941-42, 1942-43, and 1943-44. Figures in table do not reflect actual outlays in the respective years.

⁵ Minus figures represent net total of notes redeemed; includes accrued interest.Source: *Daily Statement of the U. S. Treasury.*Table 10.—*Status of the unemployment trust fund, by specified period, 1936-45*

(In thousands)

Period	Total assets at end of period	Net total of Treasury certificates and bonds acquired ¹	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account			
				Deposits	Interest credited	Withdrawals ²	Balance at end of period	Deposits	Interest credited	Benefit payments	Balance at end of period ³
Cumulative through June 1945...	\$7,315,258	\$7,307,173	\$8,084	\$8,540,345	\$467,482	\$2,328,772	\$6,679,108	\$502,472	\$34,048	\$44,619	\$636,150
Fiscal year:											
1936-37	312,389	293,386	94	291,703	2,737	1,000	312,389	—	—	—	—
1937-38	884,247	559,705	12,247	747,660	15,172	190,975	884,247	—	—	—	—
1938-39	1,280,539	365,000	13,539	811,251	26,837	441,795	1,280,539	—	—	—	—
1939-40	1,724,862	443,000	14,862	859,864	37,524	484,764	1,693,163	44,249	202	14,552	31,699
1940-41	2,283,658	563,000	10,658	892,023	45,893	537,343	2,093,736	61,347	3,059	17,784	189,921
1941-42	3,150,103	866,000	11,103	1,095,991	61,998	368,070	2,883,654	76,266	5,424	9,072	266,448
1942-43	4,372,460	1,228,000	5,460	1,217,686	75,563	174,334	4,002,570	92,441	6,861	1,834	369,890
1943-44	5,878,778	1,503,000	8,778	1,349,307	88,526	60,000	5,380,403	109,375	8,001	591	498,375
1944-45	7,315,258	1,437,173	8,084	1,256,003	113,140	70,492	6,679,108	118,794	10,502	785	636,150
1944											
June	5,878,778	96,000	8,778	20,431	47,425	5,463	5,380,403	31,349	4,279	25	498,375
July	5,925,618	43,000	12,618	50,628	—	3,931	5,427,100	56	—	24	498,518
August	6,215,750	298,000	4,750	284,766	—	4,550	5,707,316	984	—	17	508,433
September	6,248,160	34,000	3,160	6,878	—	4,216	5,709,979	29,795	—	48	538,180
October	6,301,412	23,000	33,412	57,245	766	4,882	5,763,098	43	69	45	538,313
November	6,550,190	278,000	4,190	252,416	—	4,593	6,010,922	999	—	45	539,268
December	6,583,434	33,000	4,434	7,071	2,336	4,910	6,015,418	28,585	216	53	568,016
1945											
January	6,674,828	74,000	21,828	43,537	50,165	6,970	6,102,174	27	4,637	100	572,654
February	6,880,453	220,000	7,453	211,822	—	6,758	6,307,238	652	—	92	573,214
March	6,914,989	38,000	3,989	11,346	2,702	7,970	6,313,317	28,324	250	116	601,672
April	6,956,109	25,000	20,109	46,955	—	6,137	6,354,135	324	—	85	601,974
May	7,226,959	283,000	7,959	276,077	—	7,280	6,622,932	2,117	—	65	604,026
June	7,315,258	88,173	8,084	7,261	57,180	8,296	6,679,108	26,888	5,330	96	636,150

¹ Includes accrued interest.² Includes transfers of \$106,271,000 from State accounts to railroad unemployment insurance account.³ Includes transfers from railroad unemployment insurance administration fund amounting to \$38,030,880.Source: *Daily Statement of the U. S. Treasury.*





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